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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/att.	From Lipshutz to The President (9 pp.) re: Special Prosecutor Legislation <i>opened per AAC, 2/14/13</i>	9/15/77	A
memo	From Bourne to The President (1 page) re: Af- ghanistan <i>Opened 1/1/13</i>	9/15/77	A
memo	From Brzezinski to The President (3 pp.) re: Meeting With Nobuske Kishi <i>Sanitized</i> <i>6/26/08</i>	9/15/77	A

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THE WHITE HOUSE
WASHINGTON

LIMITED OFFICIAL USE

MEETING WITH NOBUSUKE KISHI

Thursday, September 15, 1977

3:15 p.m. (15 minutes)

The Oval Office

From: Zbigniew Brzezinski *ZB.*

I. PURPOSE

To meet briefly with the "elder statesman" of the governing Liberal Democratic Party of Japan.

II. BACKGROUND, PARTICIPANTS & PRESS ARRANGEMENTS

- A. Background: Now eighty, Nobusuke Kishi, as a longtime Lower House member and a former Prime Minister, is still a force to be reckoned with in the Liberal Democratic Party (LDP). Kishi is perceived -- accurately or not -- as a politician who sacrificed his career as Prime Minister in 1960 as a consequence of his push for ratification of the Mutual Security Treaty. He also supported our Vietnam objectives. Your meeting acknowledges Kishi's past efforts on behalf of US-Japanese relations.

In the past few days Kishi has been leading a group of eight Japanese parliamentarians interested in population growth and social-economic development. They have visited three South American countries, were scheduled to call on the UN's Waldheim, and will call on several Congressmen. Kishi's organization, the Japanese Parliamentarian's Union, has led to greater financial assistance from Japan to UN population programs.

Kishi will be most interested in a general political discussion centered on the Far East. He represents elements in the Japanese body politic most concerned about the security of the ROK and future security guarantees for Taiwan. He will wish to judge the steadfastness of our purpose.

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MR. NLJC - 07-076
PCR 8/17/07 CIA LESTER
BY *Q* NAPA, DATE 6/25/08

B. Participants: Nobusuke Kishi; Ambassador Fumihiko Togo; Zbigniew Brzezinski; Richard Holbrooke, Assistant Secretary of State for East Asia and Pacific Affairs; Itaru Umezu, Interpreter.

C. Press Arrangements: Photo opportunity.

III. ISSUES FOR DISCUSSION

1. Take note of the leadership Kishi has supplied to international efforts in the population and development field, and note our hope that Japan will continue to broaden its vision of its leadership role in the world.
2. Note our satisfaction that a mutually acceptable agreement was reached on the Tokai issue.
3. Ask Kishi to tell Fukuda that we appreciate the substantial economic stimulus package he recently announced. We now hope the Japanese will move aggressively to bring down their huge current accounts surplus.
4. Express appreciation to Kishi for his great contributions to US-Japan friendship even when his efforts left him in an unpopular position in Japan.
5. Note our intent to implement U. S. ground troop withdrawals from the ROK in close consultation with the governments of Korea and Japan, and our expectation that we will be able to secure necessary Congressional support for the transfer of 8th Army equipment to the ROK despite the Tongsun Park affair.
6. Note your desire to normalize relations with the PRC within the framework of the Shanghai Communique. We will proceed in a way that will not diminish the chances of the people of Taiwan to enjoy a peaceful and prosperous future. We intend to maintain economic, cultural, and other appropriate relations with Taiwan. If asked about timing of normalization: We will normalize at an opportune and appropriate moment.

9:45 AM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

September 14, 1977

MEETING WITH MRS. CARTER AND DR. THOMAS BRYANT OF
THE PRESIDENT'S COMMISSION ON MENTAL HEALTH

Thursday, September 15, 1977
9:45 a.m. (10 minutes)
Oval Office

From: Mary Hoyt

I. PURPOSE

To discuss the Preliminary Report of the President's
Commission on Mental Health.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: The Report contains the initial
findings and recommendations of the President's
Commission on Mental Health, which was created
by Executive Order in February. The Commission
has 20 members who were appointed in April and
Mrs. Carter is the Honorary Chairperson. The
Report was completed September 1. Mrs. Carter
has discussed this Report with the President.
- B. Participants: Mrs. Rosalynn Carter
Dr. Thomas E. Bryant, Chairman
President's Commission on Mental
Health
- C. Press Plan: Brief photo session.

III. TALKING POINTS

As appropriate.

Electrostatic Copy Made
for Preservation Purposes

PRELIMINARY REPORT TO THE PRESIDENT

FROM

THE PRESIDENT'S COMMISSION ON MENTAL HEALTH

September 1, 1977

The February 17th Executive Order creating the President's Commission on Mental Health called for a Preliminary Report by September 1, 1977 and a Final Report by April 1, 1978.

The Preliminary Report describes the activities and progress of the Commission to date. It is a statement of initial findings and recommendations. The Report also sets forth the conceptual framework within which the Commission has worked and within which it will conduct further study in the next seven months. The Report includes a letter of transmittal. A summary of the Report follows.

SUMMARY

Scope of the Nation's Mental Health Problems

The mental health of a nation's people reflects the quality of individual lives, the strength of personal relationships, and the opportunities that exist for all people to participate fully in the national life. Thus, a complete understanding of the dimensions of mental health problems must be based on an understanding of the variety of social conditions and circumstances, as well as the biological and psychological factors, that affect the mental health of individuals.

The Commission's purpose in viewing mental health this broadly is to emphasize the variety of situations that can have a debilitating effect on emotional and psychological well-being and to recognize the additional problems and hazards faced by members of groups for whom social and environmental conditions pose an added burden. It is not to foster unrealistic expectations about what mental health services can accomplish, nor to imply that those working in the mental health field can be expected to solve all of society's ills.

Documenting the number of people who have mental health problems and the kinds of problems they have is difficult because opinions vary on how mental health and mental illness should be defined. Nevertheless, the best estimates are that 10 to 15 per cent of the population, or between 20 and 32 million Americans, need some form of mental health care at any one time. Of these 20 to 32 million people, 2 million have been or would be diagnosed as schizophrenic, and a similar number have profound depressive disorders. Patients with mental health problems occupy about 30 per cent of all hospital beds.

These numbers include people who are seen by persons working in mental health facilities. There are millions more who seek help for emotional problems elsewhere, especially from their personal physicians or from health care clinics.

Additional perspectives are obtained by considering the needs of special population groups within society who have special needs and for whom the allocation of services has not always been equitable. These include individuals requiring long-term care, emotionally disturbed children, the elderly, racial and ethnic minorities, migrant and seasonal farmworkers, and the rural population.

Scope of the Nation's Response to Mental Health Problems

During the last two decades, marked changes have occurred in the number of people receiving mental health care, the kinds of care people have received, the location of mental health services, and the cost of providing that care.

In 1975, an estimated 6.5 million persons were treated in specialized mental health settings, a 400 per cent increase over the estimated 1.7 million treated in 1955. An additional 1 million received care for mental disorders in general hospitals or nursing homes in 1975.

In 1975, approximately 75 per cent of the people receiving care were treated as outpatients, primarily in community based settings, while in 1955 approximately 75 per cent were treated as inpatients.

In 1975, the resident population of State and county mental hospitals had dropped to 191,000, a drop of 66 per cent below the 1955 population of 559,000.

In 1975, the direct cost of mental illness was approximately \$17 billion, compared with the \$1.7 billion spent in the late 1950s.

Professional manpower has more than tripled since 1955, with the greatest increases in the number of psychologists, social workers and other mental health professionals, such as counselors, teachers, and occupational, recreational, and arts therapists. The work of all these people continues to be augmented by the clergy, private practitioners and nurses who have always worked with a sizable portion of the population in need.

Scientific advances, government initiatives, and a variety of philosophical, social and economic factors led to this movement away from large institutions and toward community based care.

Focus of Future Work and Initial Recommendations

In the initial phase of its work, the Commission has identified a number of issues and problems that need to be addressed more fully. These can be grouped into four general categories.

I. Providing Needed Mental Health Services

Community based public and private services must be the keystone of the mental health services system. This system must include a range of diagnostic, treatment, rehabilitation, and supportive services for those who need short-term and long-term help. It must assure continuity of care and these services must be readily accessible to individuals and be coordinated with related services provided by the income support, health care, social services, and education systems. This coordinated system of care must be adequately financed and able to adapt to the needs of special population groups and to respond to the changing circumstances of individual patients.

These objectives do not describe the system in place now. They are goals against which progress can be measured over the next few years.

The Commission is especially concerned that community based services not be regarded simply as services provided outside State and county mental hospitals. There is much more to the concept than shifting the location of services. The focus must be people, not places. Accordingly the Commission plans to emphasize the wide range of services people need and the manner in which they need to receive them, the knowledge and training required to provide these services, and the planning and coordination that must exist if services are to be effective.

Meanwhile, the Commission has proposed recommendations at this time related to coordination of Federal policies supporting community services, housing for the mentally disabled, the Community Mental Health Centers Program, mental health manpower development, training for community based services, training racial and ethnic minority mental health personnel, staffing State and county mental hospitals, coordination of health and mental health planning at State level, and representation of mental health concerns in national health planning. The Commission believes these recommendations offer the hope of immediate improvement in the availability of services to many people currently underserved.

II. Financing Needed Mental Health Services

The Commission believes that national health insurance must include mental health benefits. In this context, it is studying the issues of cost and financing, financial barriers that prevent people from receiving services and the use of financial mechanisms to insure better organization of services. In addition, the Commission recommends two studies that require resources beyond those available to the Commission. The Commission also is investigating major shortcomings in existing financing and reimbursement mechanisms and recommends at this time two actions that would make Medicaid and Medicare more responsive to the needs of the mentally disabled.

III. Expanding the Base of Knowledge about Mental Illness and Mental Health

Federal dollar support of research activities in mental health has grown little since 1969, and inflation has caused an actual decrease in the buying power of these research dollars. Meanwhile, other health research and general Federal research and development funds have increased substantially. The result is a mental health research investment which is so low that it places in jeopardy the development of new knowledge and the promise of more effective means of prevention and services. This shortage of dollars has left unfunded an increasingly large number of approved, high-priority grants in the Alcohol, Drug Abuse, and Mental Health Administration. The Commission recommends percentage increase in research funds for mental health, drug abuse and alcoholism.

IV. Identifying Strategies that May Help Prevent Mental Disorder and Disability

The Commission recognizes that mental health problems cannot be solved by providing treatment alone. Efforts to prevent problems before they occur are necessary ingredients of a systematic approach to promoting mental health. At the present time there is no carefully conceived, organized national strategy for the prevention of mental illness and emotional distress and the promotion of mental health. Our initial findings, however, indicate that some specific preventive approaches are of proven merit. In the months ahead, the Commission will review these approaches and others of potential benefit and will make recommendations in its Final Report.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

September 13, 1977

TO: Rick Hutcheson

FROM: Mary Ann Orlando, Special Assistant to the Chairman
President's Commission on Mental Health

SUBJECT: Briefing Materials for Presidential Appointment
9:45 a.m., Thursday, September 15, 1977
Mrs. Carter, Thomas E. Bryant, M.D.
Presentation of Preliminary Report of the
President's Commission on Mental Health

Attached is a copy of:

1. Transmittal letter to the President.
2. Summary of Report.
3. Preliminary Report of the President's Commission on Mental Health.

Mrs. Carter, Honorary Chairperson of the Commission is in possession of the original copies of the above.

Your Press Office has been furnished the required copies of the letter and the Report embargoed until noon, September 15, 1977.

cc: Robert Linder, Chief Clerk
Enclosures

EMBARGOED UNTIL 12:00 NOON
SEPTEMBER 15, 1977

PRELIMINARY REPORT TO THE PRESIDENT

FROM

THE PRESIDENT'S COMMISSION ON MENTAL HEALTH

SEPTEMBER 1, 1977

PRELIMINARY REPORT TO THE PRESIDENT

FROM

THE PRESIDENT'S COMMISSION ON MENTAL HEALTH

SEPTEMBER 1, 1977

THE WHITE HOUSE

WASHINGTON

September 1, 1977

The President
The White House
Washington, D.C.

Dear Mr. President:

Enclosed please find the Preliminary Report of the President's Commission on Mental Health.

The Commission was established by Executive Order #11973 signed February 17, 1977. The Executive Order instructed the Commissioners to conduct such public hearings, inquiries, and studies as may be necessary to identify the mental health needs of the nation and to submit a report to the President recommending how these needs can be met, and identifying the relative priority of those needs. It called for a preliminary report to be submitted by September 1, 1977, and a final report by April 1, 1978.

In organizing our strategies and work plans for carrying out the instructions of the Executive Order, we have kept foremost in our minds the remarks you made when you signed the Executive Order. At that time you stated that you wanted to be sure that "when we end this next few months' study, we haven't reinvented the wheel, that we haven't repeated the superb work that has been done in the past, and that no group is excluded from the process." We are pleased to report that a large number of private and governmental organizations and private citizens are actively working with the Commission. The Secretary of the Department of Health, Education and Welfare has been particularly supportive by making funds and staff available to the Commission during this year.

In addition to the Commission staff of individuals experienced in the various aspects of mental health, there are 24 Task Panels composed of 233 volunteers from around the country who are to provide the Commission with overviews of special areas of concern, such as manpower/personnel needs, delivery of services, research issues and

The President
Page Two

prevention. Other Panels are concentrating on the special needs of certain population groups such as racial and ethnic minorities, the elderly and children. A complete list of these Panels is appended to this Report. These Panels have begun their work, and their initial work was particularly valuable in the preparation of this Report and will be even more so as we proceed.

In May and June, the Commission held four public hearings in different sections of the country. These hearings were designed to allow members of the public--as private citizens or representing organizations--to provide the Commission with their views of mental illness and mental health. In the hearings, the Commissioners heard testimony from approximately 200 individuals. Written testimony was submitted for the record by an additional 200. The transcript of their remarks runs to 3,000 pages.

In its first month, the Commission directed letters of inquiry to all Members of Congress and to 250 organizations and associations, both governmental and private, soliciting their views on mental health. We have also met with representatives of local, county and State governments and many have provided us with their thoughts. Finally, we have received thousands of letters from private citizens offering their assistance, suggestions and advice.

The enclosed Preliminary Report represents the results of these initial efforts. It is an interim statement of our progress and findings to date. It includes a limited number of recommendations which, in our judgment, deserve consideration at this state because, if implemented, they offer the hope of immediate improvement in the availability of services to many of those we have identified as currently underserved.

Most of these recommendations can be implemented by executive action. In some instances, we recommend that you seek statutory changes in existing Federal laws.

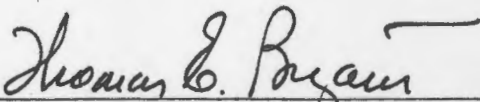
The mental health problems facing the country are complex. The country's mental health system, public and private, is equally complex. There has been marked progress over the past several years, but more is necessary before we, as a Nation, can feel that we are doing our best to provide adequate help to those who need it.

The President
Page Three

In the months ahead, the Commission will do what it can to help chart a course for the future.

We wish to thank you for this opportunity and for your support. We wish to express our particular appreciation to our Honorary Chairperson, Mrs. Carter. Her dedication to improving care for those in need has not only provided forceful leadership to us, but has sparked a spirit of excitement and hope around the country. For this, all who have been touched by mental health problems and all who work in this field are grateful.

The President's Commission on Mental Health,

by 
Thomas E. Bryant, M.D.
Chairman

Ruth Love, Vice-Chairperson
Priscilla Allen
Allan Beigel, M.D.
Jose Cabranes
John J. Conger
Thomas Conlan
Virginia Dayton
LaDonna Harris
Beverly Long
Florence Mahoney

Martha Mitchell
Mildred Mitchell-Bateman, M.D.
Harold Richman
Reymundo Rodriguez
George Tarjan, M.D.
Franklin E. Vilas, Jr., S.T.M.
Glenn E. Watts
Charles V. Willie
Julius B. Richmond, M.D., Ex Officio

PRELIMINARY REPORT TO THE PRESIDENT

FROM

THE PRESIDENT'S COMMISSION ON MENTAL HEALTH

SEPTEMBER 1, 1977

P R E F A C E

The Executive Order establishing the President's Commission on Mental Health calls for a Preliminary Report to the President by September 1, 1977, and a Final Report by April 1, 1978.

This Preliminary Report describes the activities and progress of the Commission to date. It is an interim statement of initial findings and recommendations.

The Commission has undertaken a number of initiatives and inquiries since its first meeting in April. While some of these inquiries have been completed, most are still in progress. This Report indicates the areas and issues the Commission believes should receive priority attention in the months ahead. These and additional issues will be addressed more fully as the Final Report is developed.

This Preliminary Report begins with a description of the scope and dimensions of America's mental health problems and of the response to those problems. This description sets forth the conceptual framework within which the Commission has worked and within which it will conduct further study as it prepares the Final Report.

SCOPE OF THE NATION'S MENTAL HEALTH PROBLEMS

"Mental health...affects every one of us-- depression, marital problems, drug and alcohol related problems, inability to cope as the result of a death or serious accident, low self-esteem, social maladjustment problems, dealing with delinquent children and so many more situations."

--A citizen's letter to Mrs. Rosalynn Carter

The mental health of a nation's people reflects the quality of individual lives, the strength of personal relationships, and the opportunities that exist for all people to participate fully in the national life.

In letters the Commission has received from individuals and organizations, and in the Commission's public hearings, many expressed the belief that a complete understanding of the dimensions of mental health problems must be based upon an understanding of the variety of social conditions and circumstances, as well as the biological and psychological factors, that affect the mental health of individuals. Mental health, the Commission has been told time and time again, is much more than just the absence of mental illness.

The Commission agrees.

America's mental health problem is not limited to those individuals with disabling mental illness and identified psychiatric disorders. It also includes those people who suffer the effects of a variety of societal ills which directly affect their everyday lives. Vast numbers of Americans experience the alienation and fear, the depression and anger associated with unrelenting poverty and the institutionalized discrimination that occurs on the basis of race, sex, class, age, and mental and physical handicaps. The Nation must realize the terrible emotional and mental damage that poverty and discrimination cause.

In addition, the Nation's mental health problems include conditions that involve significant psychological and emotional distress but do not fit neatly into customary categories of mental disorder. These include some physical handicaps, many learning disabilities, certain types of organic brain disease, the misuse of alcohol and other drugs, and the social isolation experienced by chronically disabled persons.

The Nation must also view mental health problems in terms of the duration and intensity of care and assistance people need. There are severely distressed people who need long-term, sustaining care; people who need intensive short-term care; and people who, with only occasional or minimal assistance, can take care of themselves.

In viewing mental health this broadly, it is not the Commission's purpose to foster unrealistic expectations about what mental health services can accomplish, nor to imply that those working in the mental health field can be expected to solve all of society's ills. Neither do we intend to suggest that anyone who has a problem in life or feels troubled needs mental health care.

Rather, the purpose is to understand the variety of situations that can have a debilitating effect on emotional and psychological well-being and to recognize the additional problems and hazards faced by members of groups for whom social and environmental conditions pose an added burden.

The purpose is also to affirm that in our society individuals must have the opportunity to have their suffering alleviated insofar as possible; and to assert, emphatically, that no individual who needs assistance should feel ashamed or embarrassed to seek or receive help.

-

Documenting the number of people who have mental health problems, the kinds of problems they have, how they are treated, and the associated financial costs is difficult because opinions vary on how mental health and mental illness should be defined. This difficulty is compounded because the available data often are inadequate or misleading. In part, this is attributable to the stigma associated with mental illness and emotional problems, a stigma which is still so strong that many people are reluctant to admit they need help. As a result, the prevalence of many of these handicapping conditions undoubtedly is underestimated. Nevertheless, a wide range of community surveys and treatment statistics has been used in our efforts to locate indicators of mental distress and disorder and to determine the needs of special populations.

For the past few years, the most commonly used estimate is that at any one time, 10 percent of the population needs some form of mental health care. This estimate has been used primarily for planning purposes in developing projections for manpower/personnel needs, Federal, State and local budgets, and for comparisons with similar data describing other health and social problems. There is new evidence that this figure may be closer to 15 percent of the population.

An estimate based on these percentages indicates that between 20 and 32 million Americans need some kind of mental health care at any one time. The care needed is imprecisely defined and ranges from counseling to long term, sustaining care. According to the President's Committee on Mental Retardation, an additional 6 million people in the country are mentally retarded. Most of these people also require some form of care or assistance. This number is also imprecise because definitions of retardation vary.

Of the estimated 20 to 32 million people who need mental health care, 2 million people have been or would be diagnosed as schizophrenic. A similar number, or about 1 percent of the population, suffer from profound depressive disorders. More than 1 million people have organic psychoses of toxic or neurologic origin, and other permanent disabling mental conditions from varying causes. And patients with mental health problems occupy about 30 percent of all hospital beds.

The current direct cost of providing mental health services is about \$17 billion a year. The social cost, when measured in terms of lost wages and a shortened life span, is estimated to be another \$20 billion. There are additional social costs related to the misuse of alcohol and other drugs and to mental retardation.

These statistics refer to people who are seen by mental health personnel in mental health facilities. There are millions more who seek help for emotional problems elsewhere, especially from their personal physicians or from health care clinics. For example, 15 percent of patients seen in general medical practice are found to have psychiatric or emotional problems. At any

given time, 25 percent of the population is under the kind of emotional stress that results in symptoms of depression or anxiety. Two anti-anxiety medications are among the most frequently prescribed drugs, and sales of one of these amounted to \$245 million in 1975 alone. These data indicate that a significant portion of the dollars spent on general medical care are in reality dollars spent on mental health.

These figures help us to understand the scope and dimensions of the problem. Additional perspectives are obtained by considering the needs of special population groups within society for whom the allocation of services has not always been equitable.

Of particular concern are those people whose severe mental disabilities require long-term treatment and care. The term "deinstitutionalization" has been used to describe an approach that aims at preventing unnecessary admissions and prolonged stays in institutions, finding and developing alternatives in the community for those who do not need to be in institutions, and improving care and treatment for those who need institutional care. There is ample evidence that we are far from achieving these goals. Many mentally disabled persons still enter, reenter, or remain in public institutions when they could be treated in the community. Many of these institutions are underfunded and understaffed. In the community, many long-term patients live in group homes, foster care homes, half-way houses, room and board facilities, and "welfare" hotels. Some are excellent; others are best described as crowded, unsafe, and uncaring. Often the only community based treatment offered the long-term patient is medication.

According to the best recent estimates, 8.1 million of the 54 million children and youth of school age, or 15 percent of that population, need help for psychological disorders. Varying estimates show that anywhere from 1 to 2 million children have specific learning disabilities. Special teaching techniques have been developed for many of these disabilities, but they are not widely available. One of every 3,000 children has an autistic disorder. There are 200,000 cases of child abuse reported every year, and surveys indicate the total number may be at least ten times greater. Adolescents show an alarming increase in suicide, depression, and alcohol and drug misuse.

The incidence of mental health problems is higher among people sixty-five and older than in other age groups. The elderly often are subject to multiple stresses such as mandatory retirement, a dramatic drop in income, a sense of uselessness, social isolation, grief over the loss of loved ones, and a fear of illness and death. The elderly account for 25 percent of all reported suicides though they represent only 11 percent of the population. Estimates indicate that 20 to 30 percent of all people labelled as "senile" have conditions that are either preventable or reversible if detected and treated early.

Another mental health related problem which pervades society is the misuse of alcohol. Recent surveys estimate that 10 million people have a significant and recent alcohol-related problem and that another 10 million have experienced an alcohol-related problem of some sort during their lifetime. At present, about 1 million people are receiving help for their alcoholism. The use of alcohol and states of depression are closely related, as are the use of alcohol and violent behavior.

Similarly, the non-therapeutic use of psychoactive drugs other than alcohol can have profound mental health implications for individuals, their families and communities. It is estimated that more than 500,000 Americans are dependent on heroin. This is in addition to the millions of Americans who experiment with and use a wide variety of mind and mood altering drugs on a frequent basis, often with harmful results to themselves and society.

At the Commission's public hearings, the social and economic conditions in which millions of minority persons live and which make them so vulnerable to psychological and emotional distress were vividly described by representatives of racial and ethnic minorities. These problems--malnutrition, inadequate housing, poor schools, unemployment, insufficient and inappropriate health and social services--are common to all minorities. However, each racial and ethnic minority group also has problems that are unique to it and which increase its vulnerability to mental and emotional distress.

Migrant and seasonal farmworkers and their families also live under conditions of terrible economic and social stress. Their emotional and mental problems are compounded by the almost total lack of mental health and other services available to them.

America's rural population is often susceptible to stresses associated with geographic isolation, the disruption of traditional ways of life, and poverty. The prevalence of severe emotional disorders in rural areas generally parallels that of urban areas, but people who live in rural areas have fewer mental health facilities and trained manpower to assist them.

The letter quoted at the beginning of this Report is a reminder that mental health affects us all. And as we expand our perspective, we begin to understand that the causes of mental health problems are as varied as their manifestations. Some are physical. Some are emotional. Some are rooted in social and environmental conditions. Most are a complex combination of these and other factors, some of which are unknown.

Their common bond, however, is that they exert or have the potential to exert a harmful effect on the ability of individuals to function in society, to develop a sense of their own worth, and to maintain a strong and purposeful image of themselves.

SCOPE OF THE NATION'S RESPONSE TO MENTAL HEALTH PROBLEMS

The last two decades have been a period of ferment, of broader perspectives and new ideas about mental health. There has been greater public interest in the psychological aspects of human behavior and increased awareness of the close relationship between individual behavior and the social environment.

Within the mental health field itself, new theories and models of thinking about mental health have been developed. Traditional psychiatric concepts have been under intense scrutiny. Some leaders in the field assert that individual mental disorders signal pathological relationships in families, at the workplace, and in society. Others advocate using behavioral rather than traditional psychiatric concepts to understand and treat disordered behavior. Still others are not as concerned about these issues, but see certain types of therapy and involuntary treatment as unwarranted infringements on personal liberties.

As our understanding of the relationships between physical and mental health and of the influence of social and environmental factors on both increases, our concepts of mental illness and mental health will continue to be refined.

These past two decades have also seen a movement away from large institutions and toward community based care. Marked changes have occurred in the number of people receiving mental health care, the kinds of care people have received, the location of mental health services, and the cost of providing that care.

In 1955 an estimated 1.7 million people were treated in specialized mental health settings. By 1975 this number had increased to 6.5 million, with an additional 1 million receiving care for mental disorders in general hospitals or nursing homes.

In 1955 approximately 75 percent of people receiving care were treated as inpatients, primarily in large institutions. By 1975 approximately 75 percent were being seen as outpatients, primarily in community based settings.

Between 1955 and 1975 the resident population of State and county mental hospitals dropped from more than 550,000 to less than 200,000.

While in 1975, 1.5 million Americans received care as inpatients in State and county hospitals, private mental hospitals, general hospitals, Veterans Administration hospitals, and in Community Mental Health Centers, a significant reduction occurred in the average length of stay for hospitalized patients. Between 1971 and 1975 the average length of stay in State and county hospitals dropped from 44 days to 26 days.

In the late 1950's the direct cost of mental illness was estimated to be \$1.7 billion a year. In 1975 the direct cost of mental illness was approximately \$17 billion.

During this period there have also been many changes in the number and types of personnel providing specialized mental health services. Professional manpower has more than tripled since 1955. There are presently over 350,000 individuals involved in direct patient care. As treatment has shifted to outpatient settings, the greatest increases in the staffs of mental health facilities have been in the number of psychologists, social workers, and other mental health professionals, such as counselors, teachers, and occupational, recreational, and arts therapists.

With increases in Federally supported social service programs, the number of social workers and counselors helping people resolve mental health related problems in settings ranging from schools to social welfare agencies has also grown. The work of all these people continues to be augmented by the clergy, private practitioners, and nurses, who have always worked with a sizeable portion of the population in need.

Scientific advances, government initiatives, and a variety of philosophical, social, and economic factors led to these changes.

- * Basic research following World War II contributed to the development of a broader and more effective range of psychological and chemotherapeutic methods of treatment.
- * The 1961 Final Report of the Congressionally authorized Joint Commission on Mental Illness and Health provided the conceptual framework for the shift toward community based care.
- * The Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 and its subsequent amendments have been important legislative vehicles in the development of community based services. The Community Mental Health Centers whose initial funding was provided under that Act will soon be in operation in service areas that include 43 percent of the Nation's population. The centers account for 28 percent of services provided in mental health facilities.

- * Federal initiatives in health care financing and expanded social services have made available financial assistance that has made it possible to provide more care in local communities. In some States more people could afford to live outside institutions because of increased benefits under programs like Aid to the Permanently and Totally Disabled, and more recently the Supplemental Security Income Program (Title XVI of the Social Security Act). Medicare and Medicaid funds have been used to support many elderly and retarded patients in nursing homes and other local facilities.
- * During the past decade the civil rights and consumer movements have provided the impetus for reform of State law pertaining to commitment procedures and policies. Several court decisions have also emphasized patients' rights and have set minimum standards for patient care. These legislative and court actions have accelerated the return to their communities of thousands of patients from State and county hospitals.

Taken together, these developments have largely ended the era of care in large State and county institutions and ushered in an era of providing mental health services in the community--an era, however, that is not without problems of its own.

FOCUS OF FUTURE WORK AND INITIAL RECOMMENDATIONS

In the initial phase of its work, the Commission has identified a number of issues and problems that need to be addressed more fully. These can be grouped into four general categories:

- I. Providing needed mental health services.
- II. Financing needed mental health services.
- III. Expanding the base of knowledge about mental illness and mental health.
- IV. Identifying strategies that may help prevent mental disorder and disability.

The following discussion of these issues includes the Commission's initial recommendations and the reasons for them.

I. Providing Needed Mental Health Services

Community based public and private services must be the keystone of the mental health services system. This system must include a range of diagnostic, treatment, rehabilitation, and supportive services for those who need short-term and long-term help. It must assure continuity of care and these services must be readily accessible to the people who need to be served. Mental health services must be coordinated with related services provided by the income support, health care, social service, and education systems so that each person receives all the care and support he or she needs. This coordinated system of care must be adequately financed, and it must be able to adapt to the needs of special population groups and to respond to the changing circumstances of individual patients. People who need help must be able to get help when they need it and at a reasonable cost.

These objectives should guide the development of the system we hope to have in place in the future; they do not describe the system in place now. In this sense, they are goals against which progress can be measured over the next few years.

The Commission cannot provide a single blueprint for all communities to use in developing community based mental health services, because each community must have a system that responds to its own needs.

The Commission can help the development of community based systems of care, however, by identifying the components and features of well-developed, community based services and by examining the issues involved in establishing such services. In pointing out ways in which existing services contribute or fail to contribute to the long-range goals, the Commission will pay particular attention to those for whom inadequate services now exist.

The Commission is especially concerned that community based services not be regarded simply as services provided outside State and county mental hospitals. There is much more to the concept than shifting the location of services. The focus must be people, not places. Accordingly, the Commission plans to emphasize the wide range of services people need and the manner in which they need to receive them, the knowledge and training required to provide these services, and the planning and coordination that must exist if services are to be effective.

The problem of planning and coordinating is evident at the Federal level. The Comptroller General reported earlier this year that 11 different Federal agencies and departments administer 135 programs that have an impact on people with mental health or emotional problems. Many of these programs frequently serve the same individuals but fail to serve common or coordinated objectives. Too often the staffs of those Federal agencies that do not have mental health as their primary focus overlook the benefits their programs can offer the mentally disabled. To achieve better coordination and to define the responsibility of different Federal agencies to improve and increase service to the mentally disabled, the Commission recommends that the President:

1. Establish an interagency group within the Federal Government to coordinate policies and programs affecting the development of community based care for the mentally disabled so that they better serve the long-term objectives set forth by this Commission.

Urgent concern is being voiced about the special needs of the large number of people who suffer long-term mental disabilities and who need supportive care in their communities. They include some persons who in the past would have been sent to State and county institutions, and others who have returned to their communities after spending years in such institutions. Services for both groups often are inadequate or non-existent. Not only is continuity of care lacking, little attention is given to meeting such basic needs as adequate food, clothing, and shelter. Unless such needs are met, it may not be possible to keep these people out of hospitals.

In the coming months, the Commission will systematically examine ways to assist these individuals. Our initial inquiries have been directed toward the need for adequate and affordable housing. Section 8 of the United States Housing Act of 1937, as amended by Section 201(a) of the Housing and Community Development Act of 1974, makes it possible for many low-income persons, including mentally disabled persons who have low incomes, to obtain adequate housing. Section 106 of the 1974 Act provides grants to State and local governments for community development programs, including projects which make it easier for handicapped persons to live in their communities. These programs can assist many mentally disabled individuals--particularly by supportive group living arrangements that are both less costly and more therapeutic. The Commission supports the Department of Housing and Urban Development's recently stated goal of making 5 percent of Section 8 funds available for assisted housing for the handicapped, and its encouragement of local communities to spend a greater portion of their community development block grant funds to assist the mentally handicapped; but the need is much greater. Accordingly, the Commission recommends that the President direct:

2. The Department of Housing and Urban Development to: (a) encourage States and localities to allocate additional Section 106 funds to develop more group care facilities, and (b) make additional Section 8 rental assistance funds available to mentally disabled persons living in group homes.

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The Community Mental Health Centers Program is an important Federally assisted activity. Since its beginning, Federal grants for these centers have totalled about \$1.5 billion. The legislation authorizing these grants terminates on September 30, 1978, and the Congress will soon begin considering the future of this program. The Commission is examining the program and intends to complete its work in the next few months. Our initial findings indicate that the centers, though a good method of providing community based services, are not the only method of providing these services. Individual centers have made substantial contributions to the communities they serve, but important questions have been raised about the concept and implementation of the program. Pending completion of its study, and out of a strong concern that nothing happen that will undermine previous accomplishments and cause a reduction or loss of worthwhile services, the Commission recommends that the President request that:

3. Funds for the Community Mental Health Centers Program in fiscal year 1979 be at least equal to funds for fiscal year 1978.

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It is inappropriate to discuss community based services without also focusing on the people who will provide these services. As noted earlier in this Report, there have been substantial increases in the number and types of mental health personnel during the past two decades, but many problems still require attention. For example, there is a geographic maldistribution of professionals. The professions include too few minority members. Mental health personnel in training often do not have sufficient opportunity to learn and practice their skills in community based settings. Efficient utilization of all mental health manpower is hindered by reimbursement mechanisms which pay only for the services of certain professionals. Concerns about reimbursement, coupled with uncertainties regarding definitions of roles and responsibilities, create tensions among professions and between professionals and other mental health workers that ultimately work to the disadvantage of the patient.

The effective implementation of mental health manpower development programs has been disrupted in recent years by abrupt changes in Federal policies and the controversies these changes have generated. Since manpower development is a long-term process, these disruptions have been very costly. The Commission has under way an assessment of manpower/personnel needs and issues. Pending completion of this assessment, and to avoid further disruption, the Commission recommends that the President request that:

4. Funds for mental health manpower training in fiscal year 1979 be at least equal to funds for fiscal year 1978.

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Our initial inquiries show that increased effort must be made to recruit and prepare individuals to provide community services, including clinical and preventive services appropriate to different values and life-styles. The Commission recommends that the President direct:

5. The Department of Health, Education, and Welfare to give funding priority to (a) training professionals and others for work in community programs, (b) training State and county hospital staff for work in community services, and (c) mental health training for primary health care practitioners.

Good mental health care requires continuing sensitivity to cultural differences in the American population. If those who provide mental health services do not speak their language and are not sensitive to their culture, minority Americans will receive inadequate services, or may go without treatment. Increasing the number of minority people who provide and direct mental health services, and raising the cultural sensitivity of other staff, are necessary steps toward solving these problems. Therefore, the Commission recommends that the President also direct:

6. The Department of Health, Education, and Welfare to give further priority to training (a) minority mental health workers, (b) researchers from minority groups, and (c) persons serving bicultural and bilingual groups.

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The emphasis on community based care must not lead to the neglect of people in State and county mental hospitals. Many chronically disabled mental patients continue to require long-term or periodic care in these institutions. A variety of staff is required to meet their needs. There are shortages in many areas, and the prospective reduction in the supply of foreign medical graduates is likely in the near future to compromise further the quality of care these patients receive by decreasing the number of physicians available to provide care.

Under Section 332 of the Public Health Service Act which authorizes the National Health Service Corps, new criteria currently are being developed which will permit the designation of State and county mental hospitals as "health manpower shortage areas." This will make it possible for National Health Service Corps personnel to fulfill their service obligations in these institutions. Therefore, the Commission recommends that the President direct:

7. The Secretary of Health, Education, and Welfare to designate as health manpower shortage areas all State and county mental hospitals which are inadequately staffed with physicians.

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Two Federal laws are concerned with planning for mental health services. These are the National Health Planning and Resources Development Act (P.L. 93-641) and the Community Mental Health Centers Act (P.L. 94-63, as amended). The experience to date has indicated that these different

planning efforts have resulted in a lack of coordination in many communities and States and direct conflicts in some. To ensure that the planning under these laws is consistent, the Commission recommends that the President seek changes in Federal law which would require that:

8. Plans of Health Systems Agencies and State Health Planning and Development Agencies under Public Law 93-641 be consistent with State Mental Health Plans under Public Law 94-63.

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To give stronger voice to mental health issues in the development of the health planning program at the national level, the Commission recommends that the President seek a second change in Federal law which would require that:

9. The National Council on Health Planning and Development include at least two representatives from the mental health field.

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II. Financing Needed Mental Health Services

This Commission believes mental health benefits must be included in a national health insurance program. Current deliberations over national health insurance present this Commission with a special opportunity and responsibility to study the issues of costs and financing, to examine the ways in which financial barriers prevent people from receiving services, and to determine how financing mechanisms can be used to help develop a more organized and effective network of mental health services. The Commission has begun its study of these issues and is working closely with those charged with the responsibility of developing national health insurance proposals.

Public and private insurance plans provide many more benefits for general medical care than for mental health care. Furthermore, most plans which have mental health benefits offer inadequate coverage. A recent survey on group health insurance coverage indicated that benefits for outpatient visits are usually limited to \$500 per year and that patients themselves usually must pay one-half of the bill.

A number of States have begun to require that a specified level of mental health benefits be included in new private health insurance policies. We know very little about how these requirements affect State hospitals, Community Mental Health Centers, and other mental health care providers. It is possible that expanded mental health benefits may enable even more patients to be treated outside State hospitals. We also do not know enough about how providing mental health benefits will affect the utilization of general health services. These subjects have important implications for national health insurance and warrant immediate study. This study, however, requires resources beyond those available to this Commission. Therefore, the Commission recommends that the President direct:

10. The Secretary of Health, Education, and Welfare to promptly undertake an analysis of the impact of State programs which mandate mental health benefits under private health insurance.

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In order to make the most accurate projection about the cost of including mental health benefits in a national health insurance program, we need to know more about the current cost of providing specific mental health services in existing settings. This also is a subject that deserves immediate attention but requires resources beyond those available to this Commission. Accordingly, the Commission recommends that the President direct:

11. The Secretary of Health, Education, and Welfare to undertake an assessment of the current costs of providing specific mental health services in different settings and organizations.

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The Commission also plans to study major shortcomings in existing financing and reimbursement mechanisms such as Medicare and Medicaid.

One important problem is that Federal financing mechanisms often have lagged behind changes in mental health services. The Community Mental Health Centers Program implies a strong Federal commitment to outpatient mental health care and the advantage of providing service in the least restrictive, most appropriate setting. Medicare and Medicaid programs provide limited mental health benefits, and these are biased toward inpatient care.

Between now and April 1, 1978, the Commission will examine how existing financing mechanisms could be revised to make mental health benefits more comprehensive and more appropriate. Constraints which make it difficult to provide a full range of mental health and social services and to achieve continuity of care will be examined. Recommendations for statutory changes will be considered, such as amendments to the Social Security Act that would broaden the definition of health care "provider" to include Community Mental Health Centers and other organized systems of mental health care.

The Commission already has identified two changes in Medicare and Medicaid that can save money and improve services but which do not require statutory change for implementation. One concerns psychiatric inpatient facilities; the other, intermediate care facilities.

Current requirements relating to the eligibility of these facilities for reimbursement are based primarily on the needs of people with serious physical handicaps. Many of these standards are not necessary for mental patients and they increase cost. More flexible rules and standards which better meet the special needs of the mentally disabled can help ensure that Federal financing programs respond to special local needs and changing conditions.

Requirements relating to psychiatric inpatient services should be modified. Specifically, alternative standards and provisions for specific waivers should be developed with respect to the physical plant, construction, record-keeping, staffing patterns, and program requirements. The Commission recommends that the President direct:

12. The Secretary of Health, Education, and Welfare, in cooperation with a task force of local practitioners and hospital administrators, to modify certification requirements under Medicare and Medicaid for State mental hospitals and other psychiatric inpatient services to assure that they are not unduly restrictive.

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Similarly, some Medicaid requirements for Intermediate Care Facilities are irrelevant or excessive for mental health patients. They not only increase construction costs in many cases, they also encourage the establishment of larger institutions rather than the smaller home-like facilities more desirable for providing support in the community. At the same time, they say nothing of the special services needed by many mental health patients. Therefore, the Commission recommends that the

President direct:

13. The Secretary of Health, Education, and Welfare to establish in Medicaid a class of Intermediate Care Facilities that are designed specifically to meet the conditions and needs of mental patients.

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III. Expanding the Base Of Knowledge About Mental Illness and Mental Health

Expanding our understanding of the functioning of the mind, the causes of mental and emotional illness, and the efficacy of various treatments is crucial to future progress in mental health.

Biological, psychological, and epidemiological research since World War II, much of it Federally funded, has furthered our understanding of the causes of mental illness. Federal dollars have also supported social science research which has demonstrated the impact of situational stress and environmental conditions on emotional well-being. Behavioral and clinical research has contributed to important advances in the treatment of depression, schizophrenia, and behavior and learning disorders.

Federal dollar support of research activities in mental health has grown little since 1969, and inflation has caused an actual decrease in the buying power of these research dollars. Meanwhile, other health research and general Federal research and development funds have increased substantially. The result is a mental health research investment which is so low that it places in jeopardy the development of new knowledge and the promise of more effective means of prevention and services. This shortage of dollars has left unfunded an increasingly large number of approved, high-priority grants in the Alcohol, Drug Abuse, and Mental Health Administration.

Despite this loss of momentum, major opportunities for expanding our base of knowledge still exist.

In mental health, new discoveries regarding the role of neurotransmitters and chemical imbalance in the brain hold great promise for the treatment of schizophrenia and depression. More extensive studies of psychological, social, and biological factors affecting the mental health of certain populations, such as children and the elderly, offer hope for prevention and better treatment of certain disorders.

In drug abuse research, progress in identifying receptors in the brain can lead to a more accurate understanding of the addictive process and to the development of more effective treatment techniques. Fuller understanding of the influence of social and situational stress on drug use in various age groups and in special populations will make it possible to plan more effective treatments.

In alcohol research, further investigations of possible biochemical and psychological factors related to dependence on alcohol is necessary. There must also be prompt follow-up studies of recent findings that a predisposition to alcohol may be inherited, and that heavy consumption of alcohol by women during pregnancy increases the risk of mental and physical abnormalities to the fetus.

In these and other areas, intensified clinical research on treatment efficacy, the development of new models of care, and evaluative research on service delivery can improve the use of scarce resources, making them more available to all in need, but especially to those currently underserved.

The Commission believes that the knowledge to be gained from such studies would greatly advance the understanding of mental illness and mental health and would significantly increase the ability to provide assistance to those in need. Accordingly, the Commission recommends that the President request that:

14. The research budget of the Alcohol, Drug Abuse, and Mental Health Administration for fiscal year 1979 include (a) increases in the \$117 million research budget of the National Institute of Mental Health in the range of 20 percent, (b) increases in the \$16 million research budget of the National Institute on Alcohol Abuse and Alcoholism in the range of 30 percent, and (c) increases in the \$34 million research budget of the National Institute on Drug Abuse in the range of 35 percent.

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The Commission intends to study how mental health research is planned and organized, how priorities for funding evolve, and how research findings are disseminated to people working in the field. The Commission will concern itself with research that is specifically directed toward improving the organization and delivery of services. Research manpower needs also will be addressed.

Based on its experience, the Commission is particularly concerned about the need for better, more reliable data about the location and incidence of mental health problems and the utilization of mental health services. Without reliable data, realistic planning is impossible. The Commission will thus pay close attention to the question of how to promote, fund, and undertake mental health services and epidemiological research.

The review will include not only the research programs of the Alcohol, Drug Abuse, and Mental Health Administration, but also related work at the National Institute for Child Health and Human Development, the National Institute on Aging, the Administration on Aging, and other agencies which, though not identified as "mental health" agencies, conduct research that has an important bearing on mental health services and the prevention of mental illness and disability.

IV. Identifying Strategies That May Help Prevent Mental Disorder and Disability

The Commission recognizes that mental health problems cannot be solved by providing treatment alone. Efforts to prevent problems before they occur are necessary ingredients of a systematic approach to promoting mental health. As evidence accumulates that specific preventive measures reduce the need for later treatment, there is growing acknowledgement of the value of prevention.

At the present time there is no carefully conceived, organized national strategy for the prevention of mental illness and emotional distress and the promotion of mental health. Indeed, there is disagreement over how such a strategy should be developed, of what it should consist, and who should carry it out--all important issues the Commission will address in the coming months.

Our initial findings, however, indicate that some specific preventive approaches are of proven merit. For example, the value of comprehensive prenatal care and adequate nutrition in reducing the occurrence of mental disorder is quite clear.

Similarly, there is persuasive evidence that early childhood intervention, developmental day care, and pre-school programs such as Head Start provide measurable benefits to children and significantly reduce the likelihood of the school failure so frequently associated with emotional disorders in children and adolescents.

There are innovative programs around the country which are effectively teaching individuals--children and adults--how to strengthen their coping and problem-solving abilities. Some of these programs are in schools, some are in correctional institutions. Others are operated by churches and self-help groups.

While the Commission supports these activities and programs which have proved beneficial in preventing mental and emotional disorders, and wishes to see such programs expanded, it has not had sufficient opportunity to review the field thoroughly and to establish priorities among them.

In the months ahead, the Commission will review these approaches and others of potential benefit and will make recommendations in its Final Report.

APPENDIX

The Commission wishes to express its appreciation to the 233 individuals from the private sector who are volunteering their time and contributing their expertise to the Commission's work by serving on 24 Task Panels. Their assistance is invaluable. The subject areas in which these individuals are working are as follows:

Mental Health - Problems, Scope and Boundaries

Service Delivery

Organization and Structure

Community Mental Health Centers Assessment

Planning and Review

Access and Barriers

Deinstitutionalization, Rehabilitation, Long-Term Care

Manpower and Personnel

Cost and Financing of Mental Health

Research Issues

Prevention

Legal and Ethical Issues

Public Attitudes and Media Promotion of Mental Health

Mental Health and the Family

Infant and Child

Adolescents

Adult Years

Elderly

CONCLUSION

In this Report, the Commission has set forth its initial findings and recommendations. We have indicated how we have proceeded up to now and how we plan to proceed in the months ahead as we prepare our Final Report. In closing this beginning phase of our work, we wish to emphasize two important points.

The first is that the time has come for mental health care to become part of a broader effort to deal with human needs. Although mental health services often focus on a particular aspect of a person's problems, our fundamental concern is for the whole person. The Commission believes it is important to restate its conviction that mental health services must not be isolated from other important health, social and educational services.

The second relates to the stigma surrounding mental and emotional illness. During the past few months, we have developed an increased sensitivity to the enormous need for greater public understanding of mental and emotional problems and of the value and efficacy of modern methods of treatment. The stigma of mental illness, however, is so pervasive in our society that many who need help do not seek it. The misunderstanding and fear surrounding mental and emotional problems are so great that there is insufficient public support for needed services and further research.

In many ways, this is surprising. Almost all Americans are touched by these problems, either themselves or in their families or among their neighbors and friends. Nevertheless, this stigma and the fears exist, and they are deeply ingrained in our society. Unless we deal constructively with these problems, future progress will be slowed and those currently underserved are likely to remain largely underserved.

Special Population - Minorities, Women and Physically Handicapped

Rural Mental Health

Sub-Panel on Seasonal Farmworkers and Migrants

Community Support Systems

The Role of Arts in Mental Health

Liaison Task Panel on Alcohol-Related Problems

Liaison Task Panel on Drug-Related Problems

Liaison Task Panel on Mental Retardation

THE WHITE HOUSE
WASHINGTON

September 14, 1977

Stu Eizenstat

The attached has been submitted to the President. This copy is forwarded to you for your information. Please return the attached copy when you have finished with your review. Thanks.

Rick Hutcheson

REPORT ON MENTAL HEALTH

THE WHITE HOUSE

WASHINGTON

September 15, 1977

~~CONFIDENTIAL~~

MEMORANDUM FOR: THE PRESIDENT
FROM: BOB LIPSHUTZ *BJL*
STU EIZENSTAT *Stu*
SUBJECT: Special Prosecutor Legislation

Attached is a letter from Senator Ribicoff, seeking confirmation of your support for special prosecutor legislation, and a proposed response to the letter. This memorandum provides background regarding the Ribicoff letter, and seeks your guidance on the question of what course the Administration should pursue in the House on the special prosecutor issue. This question has become especially sensitive because it relates both to the KCIA and Lance investigations.

1. The Ribicoff Letter

As you know, just prior to Senate passage of S. 555, the Public Officials Integrity Act, an amendment was inserted in the special prosecutor title of the bill which would in effect mandate appointment of a special prosecutor for the Korean matter. Senator Ribicoff, chief sponsor of the bill, has indicated that he will accede to removal of that provision in conference, if a special prosecutor bill without the provision passes the House. In his letter he seeks your assurance that you will press for House passage of such a bill as part of the overall ethics package (comparable to S. 555) which Administration forces are helping to produce. His concern is that the Administration and the House leadership will let the special prosecutor bill now before a House Judiciary Subcommittee rest for this session, while enacting the rest of the ethics package, to avoid battles over anticipated Republican efforts to add a KCIA amendment similar to the provision in the Senate bill.

As you will note, the proposed response to Senator Ribicoff states in general terms that the Administration will continue to work for passage of an acceptable special prosecutor title. The Attorney General has read and approves this response.

DECLASSIFIED

Per, Rac Project

ESDN: NLC-126-9-14-1-6

BY *125* NARA DATE *2/13/13*

2. Special Prosecutor Title of S. 555

Before signing the proposed response to Senator Ribicoff, and before deciding on our course in the House, you should be aware of the substance of the special prosecutor legislation. The Senate bill establishes a procedure for judicial appointment of special prosecutors to investigate and prosecute alleged criminal offenses by the President, the Vice President, members of the Cabinet, Level IV officials of the Executive Office of the President, and certain other high Executive Branch and campaign officials. Under this procedure if the Attorney General receives "specific information" that any of the above individuals "may have violated any Federal criminal law," he is to conduct an investigation of up to 120 days. If he then determines that the matter is so unsubstantiated that no further investigation or prosecution is warranted, he may terminate the matter. If he cannot make such a finding, then he is to apply to a special judicial panel (five federal judges named by the Chief Justice) for the appointment by the panel of a special prosecutor to take over the case. (A decision by the Attorney General that the allegations do not warrant further action can be reviewed or reversed by the judicial panel only if the political or personal interests of the President, the Attorney General, or the President's party would be affected by the outcome of the case.)

It is important to note that the procedure prescribed by the bill must be initiated and completed regarding allegations not only against incumbent office-holders, but for "[a]ny individual who held [the specified offices] during the term of the President in office on the date the Attorney General receives [the allegations]." Further, the bill applies to any alleged violations of any federal criminal law (other than those concerning petty offenses)--regardless of whether such offenses were related to the official's public role or occurred during his incumbency. Hence, the bill, if enacted in its Senate-passed form, will require that the prescribed procedure be followed in Bert Lance's case, even if no charges are forwarded concerning Bert's conduct since January 1977, and even if Bert were to resign prior to its enactment. (The special prosecutor bill before the House is similar except that it applies to a more restricted set of offenses--at least some of which cover allegations at issue in the Lance case.)

The theory behind this broad coverage is that the purpose of appointing a special prosecutor is to ensure an impartial investigation and prosecution, for the benefit of both the

public and the defendant (and because the factors which may make the Attorney General appear not to be impartial will be present whenever a high Presidential appointee is targeted, whatever the allegations against him).

Once the judicial panel appoints the special prosecutor and defines its jurisdiction, the special prosecutor is given complete charge of the case and all Justice Department activities in regard to the matter are suspended. The case then proceeds under the special prosecutor's exclusive direction until he determines not to prosecute, or if he secures an indictment, until the judicial process runs its normal course. If the special prosecutor determines not to prosecute, he must file a detailed report with the judicial panel, and he may submit reports to Congress at such times and containing only such information as he deems appropriate.

After submission of a report to the judicial panel upon the completion of his investigation, the special prosecutor's term of office terminates. It may be terminated by the Attorney General only under extraordinary circumstances.

3. Status of the Legislation

In response to the Administration's request and the Speaker's direction, House Committees are giving expedited consideration to the various portions of the ethics-in-government package contained in your May 3 message to Congress and in S. 555. (These are, in addition to the special prosecutor title, provisions requiring (1) financial disclosure by high government officials, (2) creation of an Office of Government Ethics in the Civil Service Commission, and (3) strengthened criminal prohibitions against abuses of the revolving door practice.) However, the special prosecutor portion, which in the House takes the form of a separate bill, has not been marked up either in Subcommittee or the full Judiciary Committee.

A separate Judiciary Subcommittee is currently marking up other parts of the ethics package. The Speaker has instructed all the Committees concerned with the matter to complete action by September 22. It is our understanding that the Subcommittee having jurisdiction over the special prosecutor bill will mark it up and report it, only if instructed to do so by the Speaker and by Chairman Rodino.

4. Our Position in the House

The question which you must decide is whether to authorize a representative to ask the Speaker and Chairman Rodino to

have the special prosecutor bill marked up and reported to the Rules Committee along with the rest of the ethics package.

Our staffs have spoken briefly with a member of the Speaker's staff, who reports that he believes that the Speaker is likely to prefer not to mark up the special prosecutor bill--out of fear that a fight will immediately be generated, both in Committee and eventually on the House floor, over proposals to insert a KCIA provision similar to that now in S. 555. The Speaker's staff believes that attempts to add a KCIA rider can be defeated--the evident vigor of the Justice Department's prosecution is a strong argument in our favor--but the battle would produce unfavorable publicity.

Despite this estimate of the Speaker's reluctance--which we believe to be accurate--we believe that we have no choice but to seek consideration and enactment of the special prosecutor bill and thus respond positively to Senator Ribicoff's letter to you. This recommendation is based on the following considerations:

- If it becomes publicly understood that we are in effect letting the special prosecutor proposal die, while pressing hard for enactment of the rest of the ethics bill, this will be perceived as an about-face on your strong public commitment to the special prosecutor principle and may be incorrectly perceived as an effort to avoid appointment of a special prosecutor to handle the allegations concerning Bert Lance.
- Senators Ribicoff and Percy, among others, are intimately familiar with the state of these matters in the House, and very likely to go public with criticism of our inaction on the special prosecutor issue. (Senator Ribicoff's staff has reported to us that he intends to speak with the Speaker and Chairman Rodino to urge them to report out a special prosecutor bill immediately, but we believe he has not yet done so.)
- Especially if a public controversy arises over the failure of the Judiciary Committee to complete action on the special prosecutor bill, a special prosecutor amendment to the ethics bill--or an independent bill--is likely to be introduced on the floor, which may be less sound than the current bill.

-- Finally, we strongly believe that establishment of a special prosecutor procedure is far more likely to be fair to potential targets of his jurisdiction. This is so because a special prosecutor will have the stature to resist efforts by Congress to divulge information about ongoing cases (witness leaks from the current KCIA investigation to Congress and thereafter to the Press), and because, a special prosecutor will have unique public credibility to drop a case which is without merit--without risking charges against himself and his superiors, including the President, that the decision was biased.

The proposed response to Senator Ribicoff reemphasizes your commitment to special prosecutor legislation in general but opposes appointment of one for the KCIA case.

ABRAHAM RIBICOFF, CONN., CHAIRMAN

JOHN L. MC CLELLAN, ARK.
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RICHARD A. WEGMAN
CHIEF COUNSEL AND STAFF DIRECTOR

United States Senate

COMMITTEE ON
GOVERNMENTAL AFFAIRS
WASHINGTON, D.C. 20510

Lipshutz
-2 AUG 1977

August 1, 1977

The President
The White House
Washington, D. C.

Dear Mr. President:

As you know, I was very pleased that the ethics proposals which I have sponsored for years and your proposals in this area were molded together in S. 555, the Public Officials Integrity Act, and passed by the Senate. The handling of this legislation in the Senate was a model of how the Congress and the Administration can work together to enact effective legislation.

The one provision in this comprehensive legislation which I understand the Administration is not pleased with is the amendment added on the Senate floor with respect to a special prosecutor to handle the Korean investigation. As you know, when this amendment was proposed on the Senate floor, we were informed by the White House Congressional liaison staff that the Administration had no position on that amendment. Therefore, the managers of the bill, Senator Percy and I, decided to accept the amendment rather than to precipitate a floor fight on that question.

In recent days, there have been indications that the Administration may be wavering in its commitment to support this legislation and is willing to postpone action on the special prosecutor title until prosecutions in the Korean investigation are completed. This position, I am informed, could effectively block progress on this legislation in the House.

I believe that such a policy would be unwise.

The President

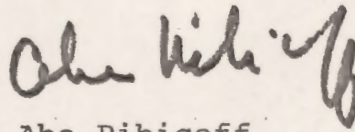
August 1, 1977

Page Two

Mr. President, we are no happier than you about the Korean matter. However, in the Senate we made numerous changes in this legislation at the request of your Administration in order to obtain the vigorous Administration support which we did receive. The Korean special prosecutor amendment was only accepted after we received assurances that the Administration did not oppose it.

I hope that this matter does not result in Administration action which will effectively prevent the House from completing action on the Public Officials Integrity Act this year.

Sincerely,

A handwritten signature in dark ink, appearing to read "Abe Ribicoff", with a stylized flourish at the end.

Abe Ribicoff

THE WHITE HOUSE

WASHINGTON

To Senator Abe Ribicoff

Thank you for your recent letter concerning the Public Officials Integrity Act, S. 555. I share your appreciation for the cooperation between the Government Affairs Committee and the Administration which led to Senate passage of this important legislation on June 27. Administration representatives are now working with the various concerned committees in the House to achieve House passage of similar comprehensive ethics-in-government legislation in the current session.

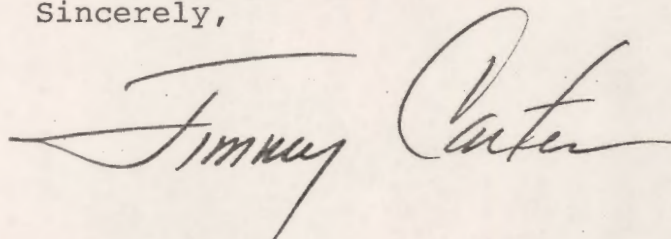
My commitment remains strong to enactment of legislation along the lines of the special prosecutor provisions of Title I of S. 555. As you know, that commitment was first stated during last year's campaign, and it has since been reaffirmed by my May 3 message to the Congress on ethics in government, when I announced my "support for legislation to authorize appointment of a temporary Special Prosecutor to handle cases of misconduct by high-ranking Executive Branch officials."

At the same time, I believe, as I have stated previously, that appointment of a special prosecutor for the Korean matter would impede the very vigorous and thorough pursuit of that case being conducted by the Department of Justice. Accordingly, as you note, the Administration strongly opposes the provision of S. 555 relating to appointment of a special prosecutor for the Korean case. I regret the misunderstanding that led to acquiescence in this provision.

There is one other feature of Title I which I would like to mention. The Administration continues to oppose the provisions of that title which would create a statutory Office of Government Crimes with a Presidentially appointed director within the Department of Justice.

I expect and hope that sound ethics legislation can be adopted, covering each of the areas set forth in my May 3 message to the Congress, and meeting the criteria I have stated. We will continue to work toward that end with you and your staff, as well as with the House, through the remaining weeks of the session.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is fluid and cursive, with a large, sweeping "C" for "Carter".

Honorable Abraham Ribicoff
Chairman
Committee on Governmental Affairs
United States Senate
Washington, D. C. 20510

THE WHITE HOUSE
WASHINGTON

September 15, 1977

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Tim Kraft

RE: NOTES OF BREAKFAST WITH SENATE
LEADERS ON 9/13/77

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
X	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

X	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.
THE WHITE HOUSE

WASHINGTON

September 13, 1977

C.C. V.P.

Frank J

MEMORANDUM FOR THE PRESIDENT

FROM: DAN TATE *DT*
THROUGH: FRANK MOORE *Fn.*
SUBJECT: Notes of Breakfast with Senate Leaders
September 13, 1977

Senator Byrd indicated that the Senate would consider legislation generally according to the priority list which he gave you during the August recess. He pointed out that the obstacles to meeting the October adjournment target date were conferences on controversial measures such as the Labor-HEW appropriations bill and the energy bill(s).

In response to your emphasis on the need for action on our hospital cost containment proposal, Senator Long said that the threat of malpractice suits had forced hospitals to engage in expensive defensive medical tactics, such as extensive tests for unlikely illnesses. He urged that we look into the malpractice problem. He also said the Senator Talmadge, who is Chairman of the Finance Committee's Subcommittee on Health, is the key to getting action on our bill. Long shares Talmadge's concern that our proposed lid on hospital costs does not really differentiate between efficient and inefficient hospitals and may in fact be an incentive to all hospitals to increase their costs to the maximum allowed.

-- Talmadge has his own bill which he developed over the last three years. While he has reservations about our proposal, he could possibly accept it as a part of one legislative package: our bill as a short-term solution and his bill as a long-term solution. You generally endorsed his bill during the campaign and Domestic Policy staff advises that the Talmadge bill, if modified to some degree, would be acceptable.

*ok. 9/11
meet to
Herman if
necessary -
after staff
preparation*

In response to your statement on social security financing, Senator Long stated that neither his Committee nor the full Senate agreed with our proposal to tap general revenues. He favors increasing social security taxes to pay for benefit increases and to cover deficits in the trust funds. He made a strong pitch for a one-shot increase in 1979 on the ground that phased increases merely allow political pressures to build.

Senator Jackson said he expected his Committee and the full Senate would finish at least three (coal conversion, energy conservation and natural gas pricing) of the four NEA components he had jurisdiction over. The fourth, utility rate reform, will be more difficult to dispose of this year.

- Senator Johnston, whose subcommittee is working on utility rate reform, is up for reelection and is very sensitive to the concerns of utilities in his state. This sentiment is shared by several members of the Committee and seriously threatens our chances of getting final action this session.

Secretary Schlesinger pointed out that the wellhead tax is supported by the Business Roundtable and is not opposed by the American Petroleum Institute. However, both want a plowback provision. Senator Long expressed the hope that his Committee would not adopt a plowback provision and that the final bill which emerges from conference will instead provide a new "tax credit" for those who drill dry holes and/or exploratory wells. Secretary Schlesinger said such a provision might be acceptable if it were in fact a guarantee of increased production and exploration. One way of ensuring this would be to set up a base period measurement of increased effort. Both Long and Jackson indicated interest in the idea. However, Long said that in order to get this in the conference compromise, the Senate would have to pass a bill doing twice as much--to which you replied that you preferred that the Senate adopt a provision acceptable to us and we would in turn try to get the House conferees to buy that provision.

Senator Cranston warned of the dangers of statements by Administration officials that the Canal treaties would be a test of your foreign policy-making ability. He urged that we begin another foreign policy initiative to relieve some of that pressure.

Senator Inouye noted that the foreign aid appropriations bill was in conference with the House, and Administration help would be welcomed (he later phoned Secretary Vance on this). He also said that before the impasse in the Labor-HEW Appropriations conference could be broken, compromise abortion language would have to be submitted and he would do so if necessary. Finally, he pointed out that no Hawaiian had received an Administration appointment (we will follow up on any suggestions he may have).

★ Prior to this morning's breakfast, Senator Byrd informed Frank that Senator Sparkman has a good line-up of Administration witnesses and Byrd feels that sentiment in the Senate will change during these and the Stennis' hearings. The Senator said we should begin working very hard after energy on Panama and implied a late October vote. This is contradictory to Senator Byrd's news conference, but may be some private strategy the Senator has. Of course, it does not alter our strategy since we planned to work on individual Senators.

We have arranged with Senator Sparkman not to report the Treaty until we are sure we have enough votes. There is, however, a strong rumor on the Hill that the opponents of the Treaty will try to get a discharge petition approved in order to have the Treaty on the floor in October.

Attached is an early count on the natural gas deregulation vote prepared by FEA. Bob Thomson is working to verify several obvious no's and leaning no's that we can switch. We will have an updated vote count by Friday, September 16, which Frank will then share with Senators Byrd and Cranston.

NATURAL GAS DEREGULATION FLOOR COUNT

+ (35)	L+ (8)	? (9)	L- (16)	- (32)
Abourezk	Cannon	Brooke	Chiles	Allen
Anderson	Hart	Burdick	Eastland	Baker
Bayh	Hathaway	Byrd, R.	Ford	Bartlett
Biden	Hollings	Chafee	Gravel	Bellmon
Bumpers	Huddleston	Danforth	Hayakawa	Bentsen
Case	Javits	DeConcini	Heinz	Byrd, H.
Church	Melcher	Morgan	Mathias	Curtis
Clark	Stafford	Zorinsky	McClellan	Dole
Cranston			Nunn	Domenici
Culver			Packwood	Gard
Durkin			Randolph	Goldwater
Eagleton			Roth	Griffin
Glenn			Schweiker	Hansen
Haskell			Sparkman	Hatch
Humphrey			Stone	Helms
Inouye			Weicker	Johnston
Jackson				Laxalt
Kennedy				Long
Leahy				Lugar
Magnuson				McClure
Matsunaga				Pearson
McGovern				Pell
McIntyre				Percy
Metcalf				Schmitt
Metzenbaum				Scott
Moynihan				Stennis
Muskie				Stevens
Nelson				Talmadge
Proxmire				Thurmond
Ribicoff				Tower
Riegle				Wallop
Sarbanes				Young
Sasser				
Stevenson				
Williams				

THE WHITE HOUSE
WASHINGTON *

September 15, 1977

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

RE: CONGRESSMAN CORMAN

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE
<input type="checkbox"/>	<input type="checkbox"/>	POWELL
<input type="checkbox"/>	<input type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	LANCE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
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<input type="checkbox"/>	SCHLESINGER
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<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE
WASHINGTON

WEDNESDAY-SEPT. 14, 1977

MR. PRESIDENT

CONGRESSMAN CORMAN WANTS

TO SPEAK TO YOU --RE THE

BAKKE CASE. LES FRANCIS

RECOMMENDS YOU RETURN HIS CALL.

done
J

T, K,

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

September 15, 1977

Bob Lipshutz

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Hamilton Jordan

•RE:• TUCKER NOMINATION TO THE CAB

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
	X	JORDAN
X		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

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	MITCHELL
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	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.
THE WHITE HOUSE
WASHINGTON

September 13, 1977

CC: HAM
cc: Bob Lipshutz
assess
J

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE *F.M.*
BOB THOMSON *Bob*

RE: TUCKER NOMINATION TO THE CAB - FOR INFORMATION

At Senator Cannon's request, Bob Ginther, staff director of the Aviation Subcommittee, called to tell us that the Committee had completed its review of the background report on Don Tucker, as compiled by Committee investigators. Senator Cannon considers his report to Bob Lipshutz on Saturday sufficient to give you a basis for judging whether or not to proceed with the nomination.

If you decide to proceed, then the Committee will begin preparing for hearings. According to Ginther, the first step will be the issuance of subpoenas to the Florida Law Enforcement Division for access to records on past criminal investigations of Don Tucker. Allegedly, the Committee was unsuccessful in obtaining this information voluntarily. We doubt the Committee will actually initiate compulsory process against a state agency, but the threat does indicate Senator Cannon intends to leave few stones unturned in Committee hearings.

Senator Cannon has stated Tucker cannot be confirmed. Our assessment is bleak, as well. All seven Republicans are opposed, as are the two senior Democrats, Magnuson and Cannon. Stevenson, Riegle and Durkin are leaning against. The other six Democrats are undecided.

If you intend to proceed, we must prepare immediately for a major legislative fight that could span several months--including at least two weeks of well-publicized hearings. To succeed, we must show that the circumstances described in the Committee report are untrue. Realistically, we have little chance of convincing Senators that the conclusions they have drawn from those circumstances are incorrect or minimizing the importance or relevance of those conclusions when judging the qualifications of a prospective member of the CAB.

The Committee has indicated it will not take further action on the nomination until next week so that you will have time to evaluate the situation.

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

September 15, 1977

Bob Linder

The attached Proposed Fiscal Year 1977 and 1978 Requests for Supplemental Appropriations memo has been signed. The letter to the Speaker of the House is forwarded to you for appropriate handling.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

Watson - N.C. -

Supplemental
Appropriations

THE WHITE HOUSE
WASHINGTON

9/15/77

Mr. President:

Eizenstat concurs. Watson
has no comment.

ONE SIGNATURE NEEDED.

Rick

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

September 14, 1977

SIGNATURE

MEMORANDUM FOR: THE PRESIDENT

FROM: Bert Lance *B. Lance*

SUBJECT: Proposed Fiscal Year 1977 and 1978 Requests
for Supplemental Appropriations

Attached for your approval are requests for fiscal year 1977 and 1978 supplemental appropriations totaling \$6.6 billion. Of this amount, \$6.4 billion is for the following three items:

- \$1.2 billion for the Federal Energy Administration to implement the National Energy Plan and for other purposes related to the more efficient use of energy. This is within the \$1.3 billion allowance for anticipated energy costs released publicly in the Administration's July review of the budget. The Senate version of the Budget Resolution provides room for this request but the current House version does not.
- \$4.5 billion for the Environmental Protection Agency for construction grants. Your February budget included the same estimates for this request as an item to be transmitted later pending the enactment of program reform legislation. Funding of this request is provided for in the Budget Resolution.
- A new request for \$725 million for the Small Business Administration's Disaster loan fund. The amount has been revised as you requested. Neither the House nor the Senate has provided for this request in the Budget Resolution at this time.

The remaining requests are small enough to be accommodated within the levels set by the House or Senate versions of the Budget Resolution.

We have limited our recommendations to those requests that either support your commitments, are specifically required by law, or are urgently needed. These actions caused us to reject a number of agency requests. In some cases, agency heads disagree strongly about these rejected proposals. Attached is a summary identifying accepted items on the basis of the above criteria, together with a list of those agency requests for which appeals may be expected. Also attached are fact sheets that discuss the requests.

Recommendation

That you sign the letter transmitting these proposals to the Congress.

Attachments

DEPARTMENT OF AGRICULTURE
FARMERS HOME ADMINISTRATION

Very Low-Income Housing Repair Grants

Agency Request

\$4,000,000

OMB Recommendation

\$4,000,000

Purpose/Discussion

*ok - but
This is only 800 max.
grants - Is this a
new Pandora's box
for future years?*

Response to President's Questions on USDA
Very Low Income Housing Repair Grant Program

1. Using the current average grant amount actually provided (\$2,565), \$4 million would assist about 1,560 units.

2. Question: Is this a new Pandora's box for future years?

Answer:

- Program was funded for the first time by the Congress for FY 1977 at a \$5 million level.
- While the Ford budget for FY 1978 did not include funding for this program, the February revised budget included \$5 million for this purpose.
- While impossible to define precisely, the potential target population could be as large as 250,000 families. (There were about 250,000 homeowners over 65 years of age with annual incomes of less than \$5,000 who occupied housing lacking some or all plumbing in non-metropolitan areas in October 1973.) If all of these families applied for grants under this program -- assuming the same average grant amount -- the total Federal cost exposure could be as much as \$640 million. However, we do not expect demand in this program to rise above \$20 million annually because only a small portion of the target population appears to seek Federal assistance.

**Electrostatic Copy Made
for Preservation Purposes**

This proposed supplemental appropriation will enable the Farmers Home Administration to finance the unexpected increase in applications for housing repair grants by very low-income elderly homeowners who occupy substandard rural housing. The increase in demand under this program, which was initially funded during fiscal year 1977 at a level of \$5 million, resulted primarily from the severe weather of last winter and the associated energy shortages. (The recently enacted fiscal year 1978 appropriation bill also provided a \$5 million level for this program.)

This program, which provides grants of up to \$5,000 to very low-income elderly homeowners, is designed to repair owned housing to ameliorate health and safety problems. It is the only rural housing program which can effectively assist this class of homeowners who occupy substandard housing and are unwilling or unable to move into standard quality rental housing.

Outlay Effect

This proposal will increase fiscal year 1978 outlays by \$4 million.

Recommendation

That you approve this request.

$$\begin{array}{r} 8 \times 10^2 = 800 \\ 4 \times 10^6 \\ \hline 5 \times 10^8 \end{array}$$

THE WHITE HOUSE
WASHINGTON

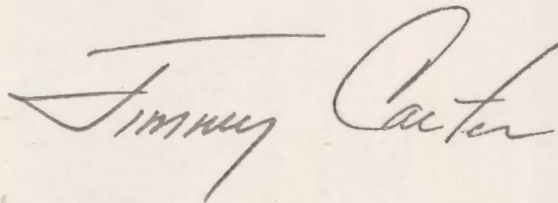
The Speaker of the
House of Representatives

Sir:

I ask the Congress to consider supplemental appropriations for the fiscal year 1977 in the amount of \$15,948,000 and supplemental appropriations for the fiscal year 1978 in the amount of \$6,567,678,000.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive style, with the first name "Jimmy" and the last name "Carter" clearly legible.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

*Stu -
Ask Jim to see
me re \$1.15 bil -
Monday if possible
J*

SIGNATURE

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Bert Lance *BR*

SUBJECT:

Proposed Fiscal Year 1977 and 1978 Requests
for Supplemental Appropriations

Attached for your approval are requests for fiscal year 1977 and 1978 supplemental appropriations totaling \$7 billion. Of this amount, \$6.9 billion is for the following three items:

- \$1.2 billion for the Federal Energy Administration to implement the National Energy Plan and for other purposes related to the more efficient use of energy. This is within the \$1.3 billion allowance for anticipated energy costs released publicly in July in the mid-session review of the budget. The Senate version of the budget committee resolution provides room for this request, but the current House version does not.
- \$4.5 billion for the Environmental Protection Agency for construction grants. Your February budget included the same estimates for this request as an item to be transmitted later pending the enactment of program reform legislation. Funding of this request is provided for in the budget resolution.
- A new request for \$1.15 billion for the Small Business Administration's Disaster loan fund. Neither the House nor the Senate has provided for this request in the budget committee resolution at this time.

The remaining requests are small enough to be accommodated within the levels set by either the House or Senate versions of the Budget resolution.

We have limited our recommendations to those requests that either support your commitments, are specifically required by law, or are urgently needed. These actions caused us to reject a number of agency requests. In some cases, agency heads disagree strongly about these rejected proposals. Attached is a summary identifying accepted items on the basis of the above criteria, together with a list of those agency requests for which appeals may be expected. Also attached are fact sheets that discuss the requests.

Recommendation

That you sign the letter transmitting these proposals to the Congress.

Attachments

THE WHITE HOUSE

WASHINGTON

Date: September 14, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat *concur by phone*
Jack Watson *AC by phone*

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Lance memo dated 9/14/77 re Revised Proposal Fiscal
Year 1977 and 1978 Requests for Supplemental Appropriations.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

/	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
/	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
/		EIZENSTAT
		JORDAN
		LIPSHUTZ
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/		WATSON
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	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

2:30 PM

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

September 14, 1977

MEETING IN CONNECTION WITH
NATIONAL HISPANIC HERITAGE WEEK
Thursday, September 15, 1977
2:30 p.m. (15 minutes)
The Rose Garden

From: Joseph W. Aragon

I. PURPOSE

To recognize National Hispanic Heritage Week, 1977.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background

Congress (joint resolution of September 17, 1968 (36 U.S.C. 169f)) requested the President to issue an annual proclamation designating Hispanic Heritage Week September 15 and 16 inclusive. *

B. Participants

Prominent members of the national Hispanic community, leaders of Hispanic organizations, a Governor, Congressmen and Carter Hispanic appointees.

C. Press Plan

Full press coverage.

III. TALKING POINTS

Griffin Smith of the Speechwriting Office is preparing the talking points.

*You signed this proclamation on August 29. A copy is attached.

X
to

AUGUST 29, 1977

Office of the White House Press Secretary

THE WHITE HOUSE

NATIONAL HISPANIC HERITAGE WEEK, 1977

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

The Hispanic heritage of over sixteen million Americans, representing a broad diversity of cultures, has enriched our Nation by contributing to the advancement of art and science and by affirming the importance of family bonds and community spirit.

Today, Americans have come to recognize the important role of the Hispanic community both in the life and work of the United States and in our efforts to achieve understanding, mutual respect and common purpose with the Spanish-speaking nations of this hemisphere.

In recognition of our Hispanic heritage, the Congress, by joint resolution approved September 17, 1968 (36 U.S.C. 169f), has requested the President to issue annually a proclamation designating the week including September 15 and 16 as National Hispanic Heritage Week.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim the week beginning September 11, 1977, as National Hispanic Heritage Week and call upon the people of the United States, especially the educational community, to observe it with appropriate ceremonies and activities; to reflect on the influence of Hispanic culture in our land; and to encourage the full participation of Hispanic Americans in every phase of American life.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-ninth day of August, in the year of our Lord Nineteen hundred seventy-seven, and of the independence of the United States of America the two hundred and second.

JIMMY CARTER

#####

TALKING POINTS

THE WHITE HOUSE

WASHINGTON

September 14, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS *Jim*
SUBJECT: Hispanic Week Ceremony

Griffin Smith has prepared the following talking points for the Hispanic Heritage Ceremony:

1. HISPANICS IN AMERICAN LIFE. The purpose of this Week is to honor the Hispanic heritage of over sixteen million Americans. You recognize the cultural contribution of the Hispanics; their special bravery in time of war ~~(to the United States and the world)~~; and of course their economic contributions as an important part of the workforce.

~~(We have deliberately omitted such specific references as the Spanish influence upon the American Southwest, because the Hispanic groups are so factionalized that your disproportionate attention to one area is likely to displease those from others.)~~

2. HISPANICS IN GOVERNMENT. In your first eight months, you have appointed more Hispanics than any previous president. But what's important to you is not the numbers or the statistics, but rather what these appointments represent:

-- they represent a desire to include Hispanics at major policy levels. For example you have named five assistant secretaries (at HEW, HUD, Navy, Commerce, and Agriculture); no other president has ever had more than one Hispanic assistant secretary. You have named people like Leonel Castillo at Immigration and Naturalization; Graciela Olivarez at the Community Services Administration; and ambassadors like Raul Castro to Argentina and Frank Ortiz to Barbados.

-- they represent first-class talent -- the kind of individuals who improve the level of public service.

-- and they are not simply assigned to oversee programs of special interest to Hispanics. For example, Arabella Martinez's program at HEW has a budget of at least \$1 billion and cuts across the whole spectrum of human needs. Men like Frank Perez are serving as the State Department's SALT representative at Geneva.

3. GOVERNMENT PROGRAMS OF BENEFIT TO HISPANICS. Of the many Federal programs of interest to Hispanics, you might mention two -- one which shows a special compassion toward human needs, the other showing how communities can help plan their own growth and development.

-- At the Department of Labor, in addition to the basic CETA allocation of 63 million (FY77) and 75 million (FY78), your economic stimulus package has provided additional funds for migrant and seasonal farmworker programs -- 16 million this fiscal year, 20 million next.

-- At the Community Services Administration, you are impressed with the success of Telacu, a jointly-funded (private and federal) community development corporation in Los Angeles. Its purpose is to stimulate community economic development with such things as credit unions and housing programs. Recently it won approval for a \$20 million industrial park.

4. LATIN AMERICAN TIES. It's especially appropriate to be commemorating Hispanic Heritage Week now, shortly after you entertained the Latin American leaders and signed a fair agreement on the future of the Panama Canal. In your meetings with the Latin leaders you tried to demonstrate in a very personal way our government's renewed concern for their area. You can point to other things that show the same concern -- Rosalynn's trip, Andy Young's trip, the fact that your family speaks Spanish and have tried to acquaint themselves with that culture. After years of neglect, you recognize the importance of good relations with Latin America.

#

TOAST

THE PRESIDENT HAS SEEN.

1. This will be a working dinner. Your trip to Paris in 1973 was a working trade mission, too, and you worked very hard, but you also made sure that you and your wife were scheduled to hit Paris in the springtime.

2. France was our first friend, before we were a nation. She has remained our friend through all the strains and changes of the two centuries since she joined us in our founding struggles. We have never, since we became an independent nation, taken up arms against each other, but our relationship goes deeper.

* see
note

3. You both know what it's like to have to face your opponents on television. (Keep any reference to this light -- he reportedly completely wiped Mitterand out in their televised debate and we don't want to be accused of taking a swipe at Mitterand that could be interpreted as interfering in domestic politics.) You both also know how hard it is to get people to give up a little of their comfort to meet important national goals.

4. We do not share the same language, but our institutions and customs reflect our kinship with France in more subtle ways. A young French visitor, Alexis de Tocqueville, wrote the classic description of our people and government at all levels in the early years of our Republic. His analysis and insights into the American character and how democracy molded it is still valid in many ways nearly a century and a half later. If the French influence is not always seen in the utilitarian aspects of our lives, it invariably comes out in the graceful touches, whether it be in food or furniture or expression.

5. Even something as all-American as ice cream was brought here originally from France by Thomas Jefferson. (Dolly Madison

was the first to serve it at the White House.) Jefferson, who did so much to shape our nation, was himself shaped in many ways by his experiences in France and by his lifelong study of the best French thinkers.

6. President James Monroe brought back from France some of the most prized furnishings in the White House today. The British burned the White House, but the French, through Monroe and others greatly influenced the interior style of the house as it was rebuilt.

7. The common challenges our two nations face are enormous. The initiatives which France has taken to launch the North-South dialogue, to call together the leaders of the great industrial democracies, and to promote economic development and political stability in the Third World have met with widespread acceptance and dramatic success.

8. France is among the world's most culturally rich societies. In many areas it has led in adopting the most sophisticated technologies while preserving traditional values, landscapes and urban structures. French diplomacy has enhanced the influence and national prestige in every corner of the globe. You are convinced more than ever after today's discussion that our nation and the world can continue to look to and profit from French leadership.

9. A strong, independent and democratic France is essential to the credibility of the Atlantic alliance, the prosperity of the industrialized world and the health of Western civilization. This is the France which America is proud to call an ally, and privileged to call a friend. (The NSC is anxious to use these terms.)

10. You ask them to join you in a toast to the Prime Minister and to that conception of France which is eternal.

* Note on Barre Toast:

Congress declared war on France in 1798, the first time it ever officially declared war on anybody, but Napoleon was busy with other things and never took us up on it. After awhile everyone lost interest. While it is accurate to say we never took up arms against each other, it can not exactly be said we were never at war with one another.

THE WHITE HOUSE
WASHINGTON

September 15, 1977

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Stu Eizenstat

RE: RECOMMENDED TELEPHONE CALL
TO SENATOR TOM MCINTYRE

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	X	MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
X		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

September 12, 1977

RECOMMENDED TELEPHONE CALL

TO: Senator Tom McIntyre
DATE: Tuesday, September 13
RECOMMENDED BY: Frank Moore and Harry Schwartz,
HUD Congressional Liaison
PURPOSE: To resolve the deadlock on the HUD
authorization bill in a manner favorable
to the Administration.

BACKGROUND: The HUD authorization bill for FY 78
("Housing and Community Development Act
of 1977") has been deadlocked in
conference over a Senate amendment
sponsored by Senators Williams and Brooke
changing the allocation of community
development funds.

As introduced and as passed by the House,
the bill contained two significant
initiatives proposed by you:

1. Dual Formula. A new "dual" formula
for allocating community development funds
among recipient cities, designed to correct
the inequities of the old formula which
would have directed funds away from the
neediest cities in the East and Midwest in
favor of more affluent Sunbelt communities.
The new "dual" formula targets funds into
those communities where they are most
badly needed.
2. Action Grants. A new Urban Development
Action Grant Program, funded at \$400 million
per year for three years, to be used to assist
particular urban development projects where
federal dollars can leverage substantial
amounts of private, state and local investment.

Electrostatic Copy Made
for Preservation Purposes

hold
Hugh Downs
Frank -
J
Done
He will talk to
Proxmire &
ask that we
follow up
J

The Williams-Brooke amendment (the "Impaction Amendment") adversely affects both of your initiatives:

(a) It creates a third formula which would have the effect of directing additional community development funds to selected cities located primarily in the Northeast and Upper Midwest in the following aggregate amounts:

<u>Fiscal Year</u>	<u>Amount (millions)</u>
1978	\$ 68
1979	\$118
1980	\$169

(b) It would provide funds for the third formula by depleting the amounts set aside for the Action Grant program, thus greatly diminishing its potential impact as a means of spurring private investment in the inner city.

Congressman Ashley (the House floor manager) and the large majority of the House conferees strongly oppose the Senate "Impaction" Amendment, and are standing firm behind your request for full funding for the Action Grant program. The Senate conferees are disposed as follows:

<u>Willing to Recede</u>	<u>Doubtful</u>	<u>Unwilling to Recede</u>
Proxmire (Chairman)	Garn	Williams
Sparkman	McIntyre	Brooke
Cranston		
Stevenson		
Tower	(HUD count)	

Six votes are needed to recede. By adding one of the two doubtfuls, it should be possible to break the deadlock. We believe that Senator McIntyre might be persuaded to agree to recede with a telephone call from you.

- TOPICS OF DISCUSSION:
1. Express concern about the delay in obtaining final approval of the Housing and Community Development bill.
 2. Action now would be particularly timely because of the major urban initiative contained in the bill.
 3. Express the hope that the Conference will not reduce funding for the Action Grant program, because of its ability to leverage significant amounts of private capital for inner-city investment.
 4. Indicate that the dual formula recommended by you targets aid to distressed cities while keeping the support of Sunbelt delegations; express concern that the "impaction formula" will be viewed by the Sunbelt as tipping benefits too much in favor of the Northeast and Midwest. Under your proposal the Sunbelt states will receive 71% more funding than last year--an amount that must be considered sufficient, given current availability of funds.
 5. Ask Senator McIntyre to support the Administration's position on the dual formula and full funding of the Action Grant program.

Date of Submission: September 12, 1977

Action _____

THE WHITE HOUSE

WASHINGTON

September 15, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*

I double-checked with Senator Byrd on the HUD authorization conference. He has absolutely no objections to your calling Senator McIntyre and breaking the impasse.

Yesterday Byrd had appropriations and authorization confused, but called today and said any help would be appreciated.

Senator Williams was alerted two days ago that we would probably get involved. He does not like it; but he accepts it.

SEP 17 1977

THE WHITE HOUSE
WASHINGTON

September 13, 1977

Stu Eizenstat

The attached has been
forwarded to the President.
This copy is sent to you for
your information.

Rick Hutcheson

RECOMMENDED PHONE CALL TO SEN.
MC INTYRE

THE WHITE HOUSE
WASHINGTON

September 15, 1977

Bob Linder

The attached was returned in the President's outbox today. It is forwarded to you for appropriate handling. Please also send information copies to the Senior Staff.

Rick Hutcheson

RE: DESIGNATION OF SENIOR INTERGOVERNMENTAL
OFFICIALS IN FEDERAL AGENCIES

Joseph P. Tupper

to hinder
for distribution

have him send
info copies to

Sr staff

R.L.

THE WHITE HOUSE
WASHINGTON

9/15/77

Mr. President:

OMB concurs. No other
staff comments.

Rick

THE WHITE HOUSE
WASHINGTON

September 12, 1977

*Has this
been routed
through staff?
JC*

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson *Jack*

SUBJECT: Designation of Senior Intergovernmental Officials
in Federal Agencies

When you met with the Cabinet and the 50 Governors at the White House in February you asked each Cabinet officer to name a senior official to deal full time with intergovernmental matters. Almost all of the departments have now designated such individuals and we wish to publish a list of their names, addresses, and phone numbers in the Federal Register as part of the federal aid administration reform initiatives which you announced last Friday.

Attached is the text of such a notice for your signature.

Attachment

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Designation of Senior Intergovernmental
Officials in Federal Agencies

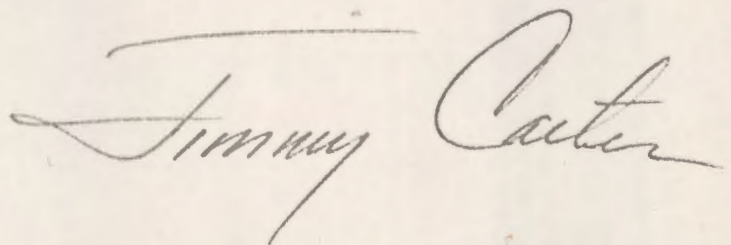
To simplify the procedures of the Federal government and to make its programs more responsive to public needs, I have asked the head of each Federal agency having extensive contact with State and local leaders to designate a senior official for liaison with them in the development of policy. These intergovernmental officials are listed at the end of this notice.

I have also asked the agency heads to ensure that these officials respond to matters referred to them within two weeks. If a problem cannot be solved in this two week period, I have asked that the response indicate a definite plan of action and a timetable for reaching a resolution. State and local governments should, of course, direct their questions about pending applications to the appropriate grants offices and should take reasonable steps to resolve all questions at that level before enlisting the aid of the intergovernmental officials.

Where intergovernmental officials find that a problem raised by a grantee requires a decision by more than one Federal department, it is their responsibility to contact the other agencies to reach a decision. Matters that cannot be resolved at this level will be referred to Under Secretaries.

I invite comments and suggestions for improving this process; these should be sent to my Assistant for Intergovernmental Relations, Jack Watson, at the White House, Washington, D.C. 20500; telephone (202) 456-2335.

This document shall be published in the Federal Register.

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive style with a large, sweeping "J" and a long, horizontal stroke extending from the "t".

THE WHITE HOUSE

WASHINGTON

Date: September 13, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Hamilton Jordan *HC*
Bert Lance *04173 concurs by phone*

FOR INFORMATION:

The Vice President
Bob Lipshutz
Frank Moore

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Watson memo dated 9/12/77 re Designation of Senior
Intergovernmental Officials in Federal Agencies

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Thursday 13, 1977

DATE: September 15, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: September 13, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Hamilton Jordan
Bert Lance

FOR INFORMATION:

The Vice President
Bob Lipshutz
Frank Moore

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DATE: September 15, 1977

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☒ Your comments

Other:

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☐ I concur.*Please note other comments below:*☒ No comment.

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WASHINGTON

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WASHINGTON

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This document shall be published in the Federal Register.

ACTION

For contacts with State and local officials:

Dan Maldonado
Assistant Director for Legislative
and Intergovernmental Affairs
806 Connecticut Avenue, N.W.
Washington, D.C. 20525
(202) 254-8070

For matters requiring interagency cooperation:

Donald Green
Executive Assistant for Programs
806 Connecticut Avenue, N.W.
Washington, D.C. 20525
(202) 254-3192

AGRICULTURE

Maynard Dolloff
Assistant to the Secretary
for Intergovernmental Affairs
Administrative Building, Room 102W
Washington, D.C. 20250
(202) 447-6643

CIVIL SERVICE COMMISSION

Genevieve Sims
Special Assistant to the Commissioner
1900 E Street, N.W., Room 5315
Washington, D.C. 20415
(202) 632-6104

COMMERCE

For contacts with State and local officials:

Anne Wexler
Deputy Under Secretary for Regional Operations
Main Commerce Building, Room 5894
14th and Constitution Avenue, N.W.
Washington, D.C. 20230
(202) 377-2971

For contacts with public interest groups and matters
requiring interagency cooperation:

Larry Houstoun
Assistant to the Secretary
Main Commerce Building, Room 5895
14th and Constitution Avenue, N.W.
Washington, D.C. 20230
(202) 343-4341

COMMODITIES FUTURES TRADING COMMISSION

William Briggs
Director, Intergovernmental Relations
2033 K Street, N.W., Suite 819
Washington, D.C. 20581
(202) 254-3596

COMMUNITY SERVICES ADMINISTRATION

Jerry Storey
Associate Director for Interagency
Relations and External Affairs
1200 19th Street, N.W., Room 548
Washington, D.C. 20506
(202) 254-5590

Jane Checkan
Chief
State and Local Government Division
1200 19th Street, N.W., Room 548
Washington, D.C. 20506
(202) 254-5047

DEFENSE

John Kester
Acting Executive Assistant
to the Secretary
Room 3E880
The Pentagon
Washington, D.C. 20301
(202) 697-8388

ERDA

Eric H. Willis
Assistant Administrator
for Institutional Relations
Room 5110
20 Massachusetts Avenue, N.W.
Washington, D.C. 20545
(202) 376-4113

NOTE: As of October 1, ERDA will become part of the Department of Energy. That department will appoint intergovernmental liaison officers in accordance with this notice.

ENVIRONMENTAL PROTECTION AGENCY

Ed Roush
Director, Office of Regional and
Intergovernmental Operations
401 M Street, S.W., Room 1137
Washington, D.C. 20460
(202) 755-0444

FEA

Thomas J. Dennis
Acting Director, Intergovernmental Affairs
1200 Pennsylvania Avenue, N.W., Room 4349
Washington, D.C. 20461
(202) 566-9665

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GSA

Walter V. Kallaur
Assistant Administrator
General Services Building, Room 6002
18th and F Streets, N.W.
Washington, D.C. 20405
(202) 566-1043

HEW

Eugene Eidenberg
Deputy Under Secretary
for Intergovernmental Affairs
200 Independence Avenue, S.W., Room 614G
Washington, D.C. 20201
(202) 245-7431

HUD

Randy Kinder
Deputy Assistant Secretary
for Intergovernmental Relations
451 Seventh Street, S.W., Room 10116
Washington, D.C. 20410
(202) 755-6954

INTERIOR

Joe Nagel
Assistant to the Secretary
18th and C Streets, N.W., Room 6151
Washington, D.C. 20240
(202) 343-7351

JUSTICE

Peter Flaherty
Deputy Attorney General
Tenth and Constitution Avenue, N.W., Room 4107
Washington, D.C. 20530
(202) 739-2101

LABOR

Nik B. Edes
Deputy Under Secretary for Legislation
and Intergovernmental Relations
200 Constitution Avenue, N.W., Room S2207
Washington, D.C. 20210
(202) 523-6113

NATIONAL ENDOWMENT FOR THE ARTS

Henry E. Putsch
Director
Office of Federal-State Partnership
2401 E Street, N.W.
Washington, D.C. 20506
(202) 634-6055

NATIONAL ENDOWMENT FOR THE HUMANITIES

Geoffrey Marshall
Acting Director
Office of State Programs
806 15th Street, N.W.
Washington, D.C. 20506
(202) 724-0286

NATIONAL SCIENCE FOUNDATION

Jack T. Sanderson
Assistant Director
Directorate for Research Applications
1800 G Street, N.W.
Washington, D.C. 20550
(202) 632-7424

Thomas Ubois
Director
Office of Government and Public Programs
1800 G Street, N.W.
Washington, D.C. 20550
(202) 632-7443

OFFICE OF MANAGEMENT AND BUDGET

Vincent Puritano
Deputy Associate Director
for Intergovernmental Affairs
Room 9026
726 Jackson Place, N.W.
Washington, D.C. 20503
(202) 395-3774

STATE

Jill A. Schuker
Special Assistant to the Assistant Secretary
for Public Affairs
Department Spokesman
2201 C Street, N.W., Room 6800/PA
Washington, D.C. 20520
(202) 632-0956

TRANSPORTATION

Terrence Bracy
Assistant Secretary for Congressional
and Intergovernmental Affairs
400 Seventh Street, N.W., Room 10418
Washington, D.C. 20590
(202) 426-4563

Ray Warner
Director for Intergovernmental Affairs
Room 10408
400 Seventh Street, S.W.
Washington, D.C. 20590
(202) 426-4578

TREASURY

Martha Darling
Special Assistant to the Secretary
Main Treasury Building, Room 3413
Washington, D.C. 20220
(202) 566-8615

VETERANS ADMINISTRATION

Jim Mayer
Executive Assistant
to the Administrator (00A)
810 Vermont Avenue, N.W.
Washington, D.C. 20420
(202) 389-5151

WATER RESOURCES COUNCIL

Leo Eisel
Director, Water Resources Council
2120 L Street, N.W.
Washington, D.C. 20037
(202) 254-6303

THE WHITE HOUSE
WASHINGTON

9/12

Jack will be submitting
cover memo for Mrs.,
plus some corrections
on the attachment.

DS

ACTION

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THE WHITE HOUSE
WASHINGTON

September 15, 1977

Peter Bourne

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

RE: CHOLERA EPIDEMIC

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

September 14, 1977

ok
J

MEMORANDUM TO THE PRESIDENT

FROM: PETER BOURNE P.B.

SUBJECT: CHOLERA EPIDEMIC

As you may be aware there is currently a serious cholera epidemic in the Middle-East. It started in Syria and has spread to Jordan, Lebanon, and Saudi Arabia. There is also suspicion that it is in Turkey, Iran and Iraq, although they will not report cholera cases. There have been 2,329 reported cases with 66 deaths. There have been two cases in Europe, both travellers returning from the Middle-East.

The media are creating a sense of alarm over this situation which is not really warranted. We are following the situation very closely through CDC, and the Office of Disaster Relief at AID. We have offered assistance including C.D.C. doctors to all involved countries. These offers have not been picked up on, and Syria emphatically declined. There is very little threat to Europe and other developed countries which have adequate sanitation. Secondary spread from returning travellers will not occur.

I do not think it is appropriate for you to take any action as it would only add to the already inappropriate sense of alarm. I will keep you advised if the situation becomes dramatically worse.

PGB:ss

c.c. Zbigniew Brzezinski

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THE WHITE HOUSE
WASHINGTON

September 14, 1977

Greg Schneiders

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: "PUT OFF BY LANCE HEARING",
Post Article

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
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<input type="checkbox"/>	<input type="checkbox"/>	MOORE
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<input type="checkbox"/>	<input type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	LANCE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input checked="" type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

September 13, 1977

*Greg-
a) Why should you be
WH spokesman on
the Lance matter?
b) Did the STAR retract?
C*

MEMORANDUM FOR: The President

FROM: Greg Schneiders **GS**

FOR YOUR INFORMATION

I don't want to waste your time but I wanted to be sure that you saw what I really did say on Monday.

The Star story was by a reporter who was not at the breakfast.

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Put Off by Lance Hearing

By Edward Walsh

Washington Post Staff Writer

President Carter yesterday postponed a news conference that was scheduled for Wednesday until after his beleaguered budget director, Bert Lance, testifies before a Senate committee that is investigating Lance's complex personal finances.

Attempting to fend off questions about Lance from reporters in New Jersey on Saturday, Carter had said he would hold a news conference on Wednesday. But yesterday his press secretary, Jody Powell, said it had been decided to delay the news conference—certain to be dominated by questions about Lance—until after the budget director appears before the Senate Governmental Affairs Committee on Thursday.

No date has been set for the news conference, but Powell said it would be soon after Lance testifies.

The President's last news conference was Aug. 23. He has pledged to hold two news conferences a month, and until the Lance affair had held to a schedule of one every two weeks.

The postponement, however, did not diminish questions about Lance or speculation that he will resign during or immediately after his appearance before the Senate committee.

At a breakfast meeting with reporters, Greg Schneiders, the White House director of special projects, said there is an atmosphere of "gloominess" among presidential aides because of the Lance controversy and that some aides believe it is almost inevitable that Lance will resign.

But Schneiders said that Carter is not among those who believe a resignation is unavoidable. "He is truly keeping an open mind," Schneiders said.

Schneiders stressed that the decision to stand behind Lance at least until the Senate hearing was the President's and "not a case of bad advice from others." He said he supports that decision although, in somewhat similar circumstances, he voluntarily gave up a higher position in the White House.

Schneiders was due to be Carter's appointments secretary. But when questions about some financial transactions in his background were raised, he stepped aside until they were cleared up, and he ended up as the special projects director.

Schneiders also said that whatever political damage has been done to the President because of the Lance affair is not "irreparable."

At his regular briefing, Powell said he, White House counsel Robert Lip-

shutz and Hamilton Jordan, Carter's chief political adviser, all knew before Lance's confirmation hearing in January about more than \$500,000 in bank overdrafts by Lance and members of his family. But Powell said that none of the three thought the matter serious enough to bring to the President's attention.

Powell conceded the aides' judgment may have been colored by their friendship with Lance, but said they took full responsibility for the decision.

"A lot of us have spent a lot of time thinking about what could have been done to avoid what has happened," he said.

In other developments yesterday, the White House said the President has instructed federal agencies to double their purchases from minority businesses within two years.

Carter also discussed the administration's human rights policy with Archbishop Joseph L. Bernardin, president of the National Conference of Catholic Bishops, and Bishop Thomas Kelly, general secretary of the U.S. Catholic Conference. The bishops, according to Powell, said they were willing to testify in behalf of congressional approval of the Panama Canal treaties.

President's Appointments

The President's appointments today:

- 7:15 a.m.—National security briefing.
- 8 a.m.—Breakfast with Senate leaders.
- 10:30 a.m.—Margaret Thatcher, British Parliament Conservative Party leader.
- 11:30 a.m.—Vice President Mondale, Deputy CIA Director Robert Bowie and National Security Affairs Adviser Zbigniew Brzezinski.
- 1:30 p.m.—Budget director Bert Lance.
- 2 p.m.—Statement on Department of Energy, 450 Old Executive Office Bldg.
- 2:30 p.m.—National presidents of labor and postal management groups.
- 3 p.m.—Sen. Ernest F. Hollings.
- 7 p.m.—Dinner with Sen. and Mrs. Russell B. Long.

Badillo Endorses Koch in Runoff

Reuter

NEW YORK, Sept. 12—Rep. Herman Badillo, one of the five losers in last Thursday's New York Democratic mayoral primary, today endorsed Rep. Edward Koch in next Monday's run-off primary against Gov. Hugh Carey's candidate, Mario Cuomo.

Badillo, political leader of the city's Puerto Rican minority, is the first of the defeated candidates to give an endorsement.

Break Impasse

ment must be positively supported by all of the parties to the concluding the Palestinians. This means that the Palestinians be involved in the peace-making process. Their representatives will be at Geneva for the Palestinian question to be solved. co-chairman of the Geneva Conference, the United States has a responsibility for ensuring the success of the conference. We have been exploring with the contention states and Saudi Arabia a number of alternatives with regard to participation of the Palestinians in peace negotiations. With respect to U.N. Resolution 242 of the participants in the conference should adhere to the spirit of that resolution and Resolution 338, which presently form the agreed basis for negotiations."

Rules Testimony Carter Not Necessary

WELAND, Sept. 12 (AP)—A judge has ruled that President Carter's testimony is not necessary in the fraud and extortion trial of a man indicted as a siege at a suburban city

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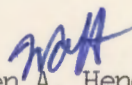
9/15

The White House

Attention: Office of Rick Hutchinson
West Basement

The attached Memorandum for the President is a revision of an earlier memorandum sent to the President by Secretary Adams of the Department of Transportation. The date of the first memorandum was 9/12/77 and the attached memorandum has been backdated to the same date.

Please ensure that the first memorandum is either destroyed or returned to this agency. The revision involves the last sentence of paragraph 3 on page two, and concerns the timing of the availability of the report outlining collection procedures. "Aavailable within a year" has been changed to "available in time to meet the anticipated.....".


Warren A. Henderson
Deputy Executive Secretary

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MEMORANDUM OF INFORMATION FOR THE FILE

DATE September 15, 1977

EXECUTIVE
PR 16
PR 5-2
PR 7-2
FG 6-11

~~LETTER, MEMO, ETC.~~
TO:

Presidential Handwritten Notes

FROM:

The President

FG 6-1-1 / Hutcherson,
R.
Lance, Bert

SUBJECT:

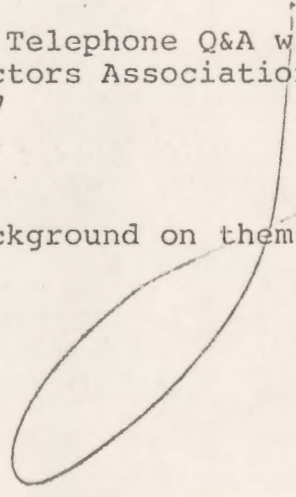
Notes from Telephone Q&A with Radio-Television
News Directors Association at 2:00 PM
on 9/15/77

Attached:

Issues (background on them) for meeting.

CORRESPONDENCE FILED

PRESIDENTIAL
HANDWRITING FILE



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

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September 15, 1977

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MEMORANDUM

TO : The President

FROM: Jody Powell

RE : Thoughts for response to RTNDA ^{questions} stories

Any question about Bert's actions can be dealt with by noting that the hearings are going on now, he deserves a chance to answer directly, etc.

Questions about your actions need to be answered more fully but not in great detail. Your main point should be that you have no choice but to handle the matter in a way that seems proper and fair. You hope that once this problem is resolved the American people will judge that you have done your best to act in a decent and fair manner.

You will be asked about political damage, etc. You can't deny that some political damage may have been suffered, but when the basic question is a man's right to defend his reputation, to have his day in court if you will, I think a President has to put personal political considerations in a secondary position.

You may be asked about press treatment. You should point out that you don't feel there has been any malicious intent or any vendetta in the coverage -- but of course there have been mistakes in the voluminous and intense coverage. What the causes for these mistakes may be and what can be done to avoid them in the future is a question that only ~~the~~ fourth estate can answer. Certainly you can't be in a position of making suggestions, ~~for one~~ You are not familiar enough with their business to tell them how to deal with such a complex problem.

Close with a strong statement of your belief in first amendment -- recognizing there will always be difficulties and occasional feelings of frustration on both sides but determined to keep those differences in perspective. (Don't use the word "press". These are radio and T.V. people and resent the word a little. Say "news media" or "fourth estate" instead.)

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